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HIA Individual Forum Hears PR's Vital Importance

Chicago Meeting Has Panel On Senior Citizen Noting This And Other Aspects

The senior citizen can be written safely; he should be considered as just another line; both small and large companies can successfully compete for his business; he may be written either as part of a group or individually—but companies must understand the public relations aspect to the whole problem since this is the only way to stall off government intervention into the health business.

These were the general summations made by Robert R. Neal, general manager Health Insurance Assn., as he wound up HIA's first general session of the annual individual insurance forum meeting in Chicago. Mr. Neal was moderator of a panel on the senior citizen that consisted of Louis C. Morrell, executive vice-president Continental Casualty; W. Sheffield Owen, vice-president Life of Georgia; D. D. Ulfers, executive vice-president Mutual of Omaha, and William DeV. Washburn, president American Health.

The weather outside had a distinctly autumnal nip to it, but speakers quickly warmed to their task and the record audience (some 435 were registered) was made quite comfortable as a great number of comments and suggestions regarding the often perplexing problem of the senior citizen were voiced from the podium.

The general attitude of the symposium members toward senior citizen coverage was summed up in Mr. Washburn's closing remarks when he said to his audience, "Come on in, the water's fine!"

He said when his company had unsatisfactory experience in general agency territory, it always examined claim ratios according to policyholder age. Mr. Washburn stated that in not

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Fort Myers Agency Pays \$1 Million; Less Than One-Third Of Claims In

Fort Myers Insurance Agency reports that with scarcely one-third of its Hurricane Donna loss claims processed, it has already paid out more than \$1 million.

Sam Johnston, president, reports that because of the high number of property damages the abilities of local contractors were taxed far beyond their normal capacity. Accordingly, some clients were unable to obtain estimates of their damages for two to three weeks.

The mark of \$1,000,167 was reached when a check was presented to Fred J. Wesemeyer. This client said he had been in Germany when Donna struck Fort Myers and his first knowledge of the hurricane was when he viewed a TV news reel over there.

H. S. Moser To Retire Big Crowd At NAMIA Rally, Launch Plan On Youthful Driver

Henry S. Moser, senior vice-president Allstate, will retire at the end of 1960. He will continue as a director of the Allstate companies with which he has been associated since 1931 when Allstate was organized.

Mr. Moser started his business career in 1921 when he joined the Chicago law firm of Sonnenschein, Berkson, Lautman, Levinson & Morse. He was made a partner in 1926. Six years later he became general counsel of Allstate, but he remained with the law firm. He withdrew from the firm in 1953 to devote his entire time to Allstate, becoming vice-president and general counsel. He was advanced to senior vice-president in 1957.

One of the most influential men in the fire and casualty field, Mr. Moser played a major part in organizing the legislative program of the all-in-

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Henry S. Moser

Mo. Agents Hold Successful Parley

By JAMES C. O'CONNOR

JEFFERSON CITY—Missouri Assn. of Independent Agents elected William K. Lakeman of Perryville to the presidency at its successful and enthusiastic annual meeting here. He succeeds George E. Jennings who retired after two terms and who conducted the meeting, the theme of which was "Personally Yours" and which stressed current problems and aggressive selling, with vigor and precision.

Resolution On Standard Oil

The Missouri agents adopted a strongly worded resolution condemning Standard Oil of Indiana's offering accident insurance through its credit cards and urging members to make this known to the company and to the Missouri department. Other resolutions recognized the contribution to the insurance business of Thomas Kingsley, recently retired St. Louis manager of Travelers, and supported a vigorous highway safety program.

M. S. Fogel, Kansas City, moved up a notch to vice-president and H. T. Vogt, St. Louis, started up the official ladder as secretary and treasurer. L. L. Winter, Jefferson City, was reelected state national director, Mrs. Marge Guemmer, Jefferson City, executive secretary, does not hold an elective office, but there was no doubt about the desire of the members to retain her services.

Ohio Agents' Meeting Report On Page 17

WASHINGTON, D. C.—More than 900 attended the annual convention here of National Assn. of Mutual Insurance Agents. This was one of the liveliest meetings the association has ever held.

George R. McKiever of Miami was elected president and Claude E. Spencer of Danville, Ill., 1st vice-president. William A. Stringfellow, acting general manager since the death of Philip Baldwin, was made general manager.

A \$25,000 educational fund was established in honor of Mr. Baldwin, to be used to perpetuate the mutual agents' school at Oberlin College and for other educational purposes. Gifts to the fund will be solicited from the business generally.

The outgoing president, John Keyser of Kalamazoo, paid tribute to Mr. Baldwin and presented his widow, Mrs. May Baldwin, who was observing her 50th birthday anniversary, with the tribute and a bouquet of yellow roses.

A two-year study to establish a simple psychological test to determine accident proneness among youthful drivers was announced at the convention by NAMIA and Allied Mutual and Employers Mutual Casualty of Des Moines, and Meridian Mutual of Indianapolis. The Mutual Claims Psychological Measuring Bureau has been set up. The study will be under the direction of Drs. A. C. McKinney and W. H. Wolins of the department of psychology of Iowa State University.

The study will check the validity of a test which, in preliminary studies,

(CONTINUED ON PAGE 27)

Saving Of \$600,000 In 1960 Operation Of Inter-Regional

Boyle Asks Members To Use Conference Approach; Urges Agent Consultation

The expense of operating Inter-Regional Insurance Conference in the calendar year 1960 was about \$600,000 less than the combined assessments previously levied on the several organizations which now comprise it. This was revealed by Charles M. Close, Great American, in his report as chairman of the finance committee at Inter-Regional's annual meeting in New York.

In his report as chairman of the organization, Frank W. Boyle, Employers Fire, noted that in the proposed revision of the District of Columbia rating law submitted by Sen. O'Mahoney at the last session of Congress there are provisions of considerable significance to advisory bodies.

Whether or not this reflects an attempt to influence recommendations of the Gerber subcommittee with respect to sections of the law dealing with advisory organizations is yet to be determined, Mr. Boyle noted. Obviously the subject is of major concern, not only to Inter-Regional but to a large number of similar advisory bodies.

Mr. Boyle observed that there has been no indication as to the attitude or conclusions of the Gerber subcommittee on matters under study. The

(CONTINUED ON PAGE 25)



Newly elected officers of Colorado Insurers Assn. photographed at the annual meeting in Colorado Springs with Commissioner Sam N. Beery: From left, James Kellett, Denver, president; J. R. Wells, Grand Junction, retiring president; William Galyardt, Fort Collins, vice-president; Peter J. Walsh, Denver, member of the NAIA executive committee; Commissioner Beery; Norman V. Cohn, Denver, state national director (reelected), and Charles Latt, Greeley, treasurer. Maurice Baker, Colorado Springs, alternate state director, and William R. Kersten, Denver, the new secretary, are not in photo.

The Colorado Springs Assn. was winner of the founders award; Denver won the civic contribution award; Colorado Springs won the public relations and advertising award, and the Western Colorado association won the membership and education award. Charles Schoelzel, Denver, was presented the "Insuror of the Year" award.

The meeting had an attendance of nearly 400 for a program emphasizing sales presented by the Merrett-Adams Training Institute.

Weech Is President Of New Amsterdam As Mahon Resigns

J. D. Mahon has resigned as president of New Amsterdam Casualty and C. Sewell Weech, vice-president and a director, has been named to succeed him.

Mr. Mahon, who is 75, has spent 55 years in insurance. He began his career in 1905 as special agent of Fidelity & Deposit and advanced to assistant secretary of that company. He joined New Amsterdam Casualty in 1914 as vice-president and became president in 1948.

Mr. Weech has spent his entire career with the company.

In his early days with the company Mr. Weech was in charge of the casualty claim department and later supervised the agency department as well. In the past few years his duties have been primarily administrative. He has been a vice-president since 1929 and is on the executive and finance committees of New Amsterdam Casualty and U. S. Casualty, of which he is also vice-president and trustee.

Chicago Buyers Hear Maas Describe Aspects Of Noise Problem

The twentieth century is the age of noise—and as the racket increases it becomes increasingly a national insurance problem, Roger B. Maas, hearing consultant Employers Mutual Liability, told the October meeting of Chicago chapter of American Society of Insurance Management.

Mr. Maas said the concept of hearing is relatively new and only the barest beginning has been made towards protecting the worker from noise injuries. Pre-employment audiograms should be taken of every worker, as such tests can easily tell which workers should be working under what conditions.

Eat 60-Decible Dinner

Noise measuring 85 decibels (on a sustained basis) is the level at which danger to hearing begins, Mr. Maas noted, and then startled his audience by stating that he had measured the noise in the room during dinner with his audiometer and it had registered over 60 decibels.

It is the sustained noise which proves harmful, he said. A jet airplane will record a sound of 140 decibels, but the average person hears this only occasionally. The saw mill worker, while hearing a sound considerably less than that caused by jets, hears his noise on a continuous basis, which can prove harmful.

Mr. Maas offered a three-point program for hearing conservation: Assessment of noise level surveys finding damaging areas; study these areas with the definite idea of reducing this noise, and spread the use of personal hearing protection devices.

Ind. Capital Stock Assn. Votes Casualty Men In

Indiana Capital Stock Insurance Assn. has voted unanimously to amend its constitution to allow casualty men into its membership.

The association notes that this was done to conform with the intent of Insurance Information Institute that the Indiana group be a multiple line organization.

Wisconsin Agents Concentrate On Selling At Milwaukee Convention

By RICHARD G. EBEL

Intense instruction in selling formed the backbone of the annual convention program of Wisconsin Assn. of Insurance Agents at Milwaukee last week with two days out of three being appropriated by the peripatetic Merrett-Adams Institute. This type of agenda, which seems to be de rigueur in convention programming this year, appeared to be well-received by the 450 registrants. The audience attracted by all Merrett-Adams sessions, though somewhat less than that drawn by the Kennedy-Nixon debates, was nevertheless in about the same sizable proportion to eligible viewers.

Donald L. Doherty, Milwaukee, was elected president to succeed William A. Gottsacker, Sheboygan, who, on

completing his second year at the active helm, was advanced to chairman. Other new officers are J. W. S. Gallagher, Madison, president-elect; Robert Buttenhoff, Eau Claire, vice-president; Neil Baer, Madison, secretary-treasurer; and Arthur R. Moss, Beloit, state national director. The of-

Pictures from the convention appear on page 14.

Office of president-elect is an innovation originated at the meeting, following approval of an amendment to the by-laws which changes the tenures of officers from two to one-year durations.

Elected to three-year terms on the board were Jerry J. Glass, Lake Geneva, and Kenneth Killberg, Racine. Robert McKenna of Green Bay was named for a two-year period.

The program was launched by Harris J. Helmer, Platteville, Wis., premium salesman, who described himself as an "integrator, conceiver and administrator of sales promotion ideas." The integrator, conceiver and administrator postulated that "a contented man is a dangerous man" and that only the discontented make progress.

Economics prognosticators, he said, predict that in 30 years a gallon of gas will cost 95 cents and a three-bedroom house will sell for \$250,000. Therefore, insurance agents must keep moving if they expect to be able to survive in the advanced and costlier living standards of the future. This they should be able to do, he said, because insurance is a dynamic product.

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Ariz. Agents Elect Johnson President

An attendance of more than 300, about equally divided between agents and company men, was recorded for the 26th annual convention of Arizona Assn. of Independent Agents at Tucson this month.

At the meeting of agents at the first general session, M. M. Johnson, Holbrook, was elected president; A. Tracy Bird, Tucson, vice-president; Charles A. Traubel, Glendale, secretary-treasurer, and Paul H. Jones, Tucson, state national director (reelected).

H. W. Nason is the executive secretary of the Arizona association.

Plangman To Mo. Bureau, Pavy To Take Over In Arkansas

LITTLE ROCK—Walter Plangman, manager Arkansas Inspection & Rating Bureau, has resigned effective Nov. 15 to become manager of Missouri Inspection Bureau at St. Louis, where he will assist General Manager W. C. Anderson in the administration of that office.

Ernest S. Pavy, assistant manager Indiana Rating Bureau, has been named to succeed Mr. Plangman. Mr. Pavy has been with the Indiana bureau since 1939, becoming assistant manager in 1954. He studied engineering at Purdue University.

In Charge Since 1949

Mr. Plangman has been in charge of the Arkansas bureau since 1949 when he was appointed director of the organization, his title later being changed to manager. A native of Texas, he started his career in a local agency in Fort Worth, and after a few years became special agent for American in Texas, later going to Cleveland, and then moving to Arkansas in 1935 as state agent. In 1947 he was named public relations director of Texas Insurance Advisory Assn. He returned to Arkansas in 1949 to take over the reins of the Arkansas bureau. He has served as chairman of Arkansas Field Club and also as Most Loyal Gander of the Arkansas Blue Goose. In 1947 he was one of the organizers of Arkansas Fire Prevention Assn., and since 1949, on his return from Texas, has served continuously on its board of directors.

Another Rousing Town Inspection Conducted In Ark.

EL DORADO, Ark.—Assisting the El Dorado Chamber of Commerce and the local fire department, sponsors of a mammoth three-day town inspection campaign, some 45 members of Arkansas Fire Prevention Assn. inspected 424 buildings, schools and churches here Oct. 18-20 and made 1,106 recommendations for the elimination of fire hazards.

In addition, some 3,379 junior and senior high school children saw the association's famous fire safety stage show, staged by Executive Secretary Carl S. Smalley with his clown helper, Stupid Carelessness, in seven performances. Also, there were 19 motion picture showings of fire prevention films before an additional 3,416 children, principally in elementary grades.

The association provided speakers for four luncheon clubs. Among these speakers was Emmett T. Cox, director of the fire prevention department of Western Actuarial Bureau, who, in addition, staged a 30-minute TV program demonstrating, with the aid of a "lightning machine", how lightning can be a fire cause. Mr. Cox also participated in a radio roundtable discussion with Fire Chief Sewell, A. J. Johnson of the El Dorado Insurance Exchange, and Garvin Myhand, past president of the fire prevention association. Local El Dorado newspapers gave the town inspection 270 column inches of space.

Climax of the campaign was a mile-long fire prevention parade on Oct. 19 with a fire fighting and rescue demonstration, staged by the El Dorado fire department, following the parade.

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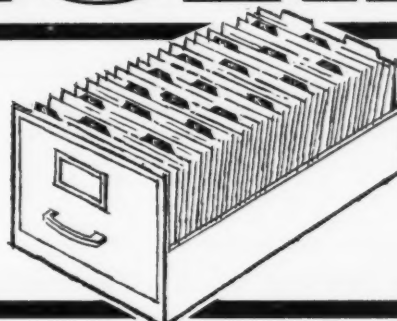
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California Agents Elect Schroeder President At S. F.

SAN FRANCISCO—New officers of California Assn. of Insurance Agents elected here at its 53rd annual convention this week are Jack C. Schroeder, Chico, president; Harry R. Schroeter Jr., Oakland, vice-president, and Gleeson L. Payne, Pasadena, secretary-treasurer. Victor F. Stefan, was introduced as the new executive secretary succeeding the late Trev Burrow. W. F. Williams, National Board, and Mr. Burrow's predecessor, has been acting secretary. Mr. Stefan has been executive secretary at the University of Santa Clara for the past 10 years. He will also serve as the association's legislative representative. The new president also serves as state national director.

Porter Ellis, president NAIA, was the keynote speaker Monday reviewing the past history of state regulation and definitely announcing NAIA's stand against the bill in congress sett-

ing up rate regulations in Washington, D. C., as inadequate and dangerous.

CAIA issued a statement emphasizing its opposition to federal regulation and support of state regulation. Resolutions regretting the untimely death of Mr. Burrow; appreciation to Mr. Williams for his services; suggestions to the insurance industry of a simplified card form of policy for the mass market forms and urging NAIA and companies to consider the proposed form and commending the outgoing administration were adopted at the executive session. Tuesday and Wednesday were entirely devoted to the presentation of the Merrett-Adams Training Institute, which, officers said, brought out the largest attendance of active agents on record; company registrants, however, showed a decline. The overflow attendance at these sessions was also a record. The association also announced a Burrow Trust Fund to provide education funds for his three children. Another unexpected display of interest was the breakfast meeting of the alumni of the advanced agency management conference, more than 150 registering as against 65 expected.

Wide Ranging Card For Mutual Meeting

More than 600 principal underwriting executives of mutual property-casualty companies will meet Oct. 31 at Hotel Roosevelt, New York, for the annual four-day Mutual Insurance Technical Conference sponsored by Federation of Mutual Fire Insurance Companies, Mutual Insurance Advisory Assn., Mutual Bureau, and Transportation Insurance Rating Bureau.

All organizations will participate in joint morning sessions, with separate afternoon sessions for property and for casualty underwriters.

At the first joint session, an analysis of the competitive situation in insurance, changing relationships between insurance and government, and possible effects of economic and social pressures, will be made by J. P. Craugh, president Utica Mutual. H. W. Yount, executive vice-president Liberty Mutual, will describe what the changing rating situation will mean to underwriting executives. The competitive automobile picture will be de-

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To Broaden Marine War Risk Coverage

American Hull Insurance Syndicate has advised marine brokers by letter that it is revising the war risks and strikes and automatic termination clauses. The proposed changes would broaden the present policies by restoring coverage against the conventional risks of war on a basis which will permit more practical integration with the government's interim war risk insurance program.

The syndicate said realistic appraisal of the risks associated with the hostile use of nuclear weapons of war requires that new clauses exclude loss, damage, or expense arising directly or indirectly from any nuclear attack or hostile detonation of a nuclear weapon of war and that they provide for automatic termination of coverage upon such a happening. Subject to this paramount limitation, the new clauses are designed to provide the widest protection which underwriters can properly provide.

Other Changes

The automatic termination provision in event of outbreak of war is being restricted to war between two or more of the five major powers and if further qualified by a "held-covered" clause to continue the insurance for vessels at sea into port, and for 24 hours thereafter, always, of course, subject to cancellation in event of a hostile nuclear occurrence.

The clauses will be free of any retroactive cancellation provision. The coverage will be for a period up to three months without any right reserved to underwriters to cancel or modify. There will be no change in the coverage of requisition, preemption, etc.

The present practice of quoting and binding war risks not earlier than seven days prior to attachment will be maintained. It should be noted, however, that rates must be commensurate with the more extensive coverage to be provided under the new clauses. Copies of these clauses will be distributed in the near future with notice as to their effective date, the syndicate noted.

Chicago CPCUs Schedule All-Industry Lunch Nov. 2

CPCU designations will be conferred upon 21 candidates at the all-industry luncheon, Nov. 2, sponsored by Chicago chapter of Society of CPCU. James S. Kemper, chairman of the Kemper companies, will present the diplomas.

Participating in a luncheon discussion of the dynamics of the CPCU program in Chicago will be Albert M. Devroye, Millers National, and George M. Lewis, Travelers.

In the morning, a forum on merit rating will be held. Taking part will be Thomas F. Tucker, Continental Casualty; Dale C. Fry, Employers Mutual Casualty; Robert A. Kempner, Royal-Globe; Mrs. Angela S. Roman, Starkweather & Shepley; James J. Lewis, Kemper companies; and Daniel J. Kelly, Weller agency of Rockford, Ill.

An analysis of real and personal property deductibles will be made in the afternoon. Members of the panel will be Carl J. Reutter, Alexander & Co.; Jay W. Gleason, Illinois R. B. Jones; R. Maynard Toelle, Kemper companies; and Richard P. White, Allstate.

International Automobile Exchange of Indianapolis has been licensed in Nevada.

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Agent And His Car Add Up To Need For Insurer Coverage

An unstated but strongly implied argument that life companies should carry plenty of non-ownership liability insurance against negligent driving by their agents on what might be construed to be company business was contained in the talk given at the Legal Section meeting of American Life Convention in Chicago by William C. Turpin, vice-president and general counsel of Bankers Health & Life of Macon, Ga.

Mr. Turpin summed up his observations thus: "The insurance company is liable for the automobile torts of its agent if at the crucial time the agent is a servant and if he is acting within the scope of his employment. This question is nearly always a question of fact, both in determining the agent's status (as servant vs independent contractor) and in categorizing his activity. The principle is clear, the application uncertain. The insurance company usually does not have to determine this difficult question, but unfortunately for the company, the question will usually be answered by a jury."

There are, said Mr. Turpin, two broad aspects of the frequently recurring problem of a life company's responsibility for the negligent acts of its agents. One is as to the agent's status, that is, whether he is the type of agent for whose torts the company is generally held liable, or whether his agency differs sufficiently from that of a "servant" so that his negligent acts will result in responsibility falling on him alone and not on the company with which he may be affiliated.

The other phase revolves around

the question whether, once the agent has been found to be a "servant," the acts in question were committed by him as a servant or as it is usually said, whether the servant was acting within the scope of his employment.

Mr. Turpin listed some of the factors that have been mentioned by the courts

as significant in determining that a man is a true agent, as contrasted with an independent contractor:

1. Working exclusively for the company, or agreeing to work exclusively.
2. Being bound or guided by a book of rules or regulations issued by the company, or being furnished with a manual to study and follow.

3. Being subject to discharge readily, such as at any time, or on one week's notice.

4. Being given a list of collections to be made or listing the names of persons on whom the agent is to call.

5. Possessing policies that the agent is required to deliver.

6. Being required to report at a specified time to make up accounts and to turn in collections.

7. Specifying the geographical or territorial area of the work assigned.

8. Being accompanied at times by a supervisory employe or being checked by a superior on occasional inspection trips.

9. Having little discretion as to the time to work or the methods to use.

10. Being treated as an employe for purposes of the social security tax.



Kemper Group Raises Six In Officer Rank

Lumbermens Mutual Casualty and American Motorists have advanced Blaine Platt from resident secretary to second vice-president; Leonard W. Larson from assistant secretary to third vice-president, and Clifford A. Kiracofe from assistant general counsel to general attorney.

James McCarthy has been named general auditor, and O. D. Moreen and William J. Stief assistant secretaries.

Mr. Platt, who joined the Kemper group in 1933, is executive assistant in the eastern headquarters at Summit, N.J. Mr. Larson, a 33-year veteran with the companies, is a member of the national risks staff in the home office. Mr. Kiracofe has been in the legal department of the Kemper companies' since joining the organization in 1934. He also is general attorney for Federal Mutual and assistant general counsel of American Manufacturers Mutual.

Mr. McCarthy, a CPA, joined the home office in 1959. Mr. Moreen, who joined the Kemper organization in 1935, is on the staff of the home office statistical department, and Mr. Stief, who started with the companies in 1946, is operations manager in the eastern division headquarters.

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Examples Of Agency Advertising Success

The elements in successful advertising by local agents and specific suggestions based on successes agents around the country have had were discussed by Frank Schaffer, vice-president of Doremus & Co., New York, at the annual convention in Tucson of Arizona Assn. of Insurance Agents. Doremus & Co. handles the Big I campaign for NAIA.

The agent should think in terms of "total advertising," he said. This means

first the careful examination of the market. How large is this agent's market for forms of protection? What sort of person is the typical buyer of a kind of insurance? Can new kinds of buyers be reached? Why do people buy insurance? Once the agent accurately understands the real market and identifies the people who buy insurance, he can then develop the easiest way to sell it.

With a sound basis of facts, creative

ideas come into play, Mr. Schaffer said. This doesn't mean exhibitions of eccentric art which may be widely noted but little remembered—but new ideas which will work for their living. Total advertising means getting every cent of money's worth out of the advertising budget and continual testing to determine what works best.

Big I Gets Attention

The Big I campaign is successful, he said. It is getting more attention than many other advertisements. For example, the Bill Holden ad was the best

read insurance ad in the June issue of Life, ranking seventh among 70 ads of all kinds in that issue. The "little boy" ad in March was three times better read than the average ad in that issue of Life. The TV commercials have proved almost twice as effective as the average insurance commercial.

Tie In Advertising

However, he pointed out, many agents are increasing their effectiveness by doing tie-in advertising. Local associations are capitalizing on the national campaign in many ways.

The regional agents' ad in the September issue of Look produced a tremendous public response. Two typical reactions: A Florida agent reported that one customer, a woman for whom he wrote only auto, walked into his office to give him her fire insurance too because of the Look advertisement. A California agent heard from a substantial business prospect who was impressed to see this agent listed in Look as a professional insurance man.

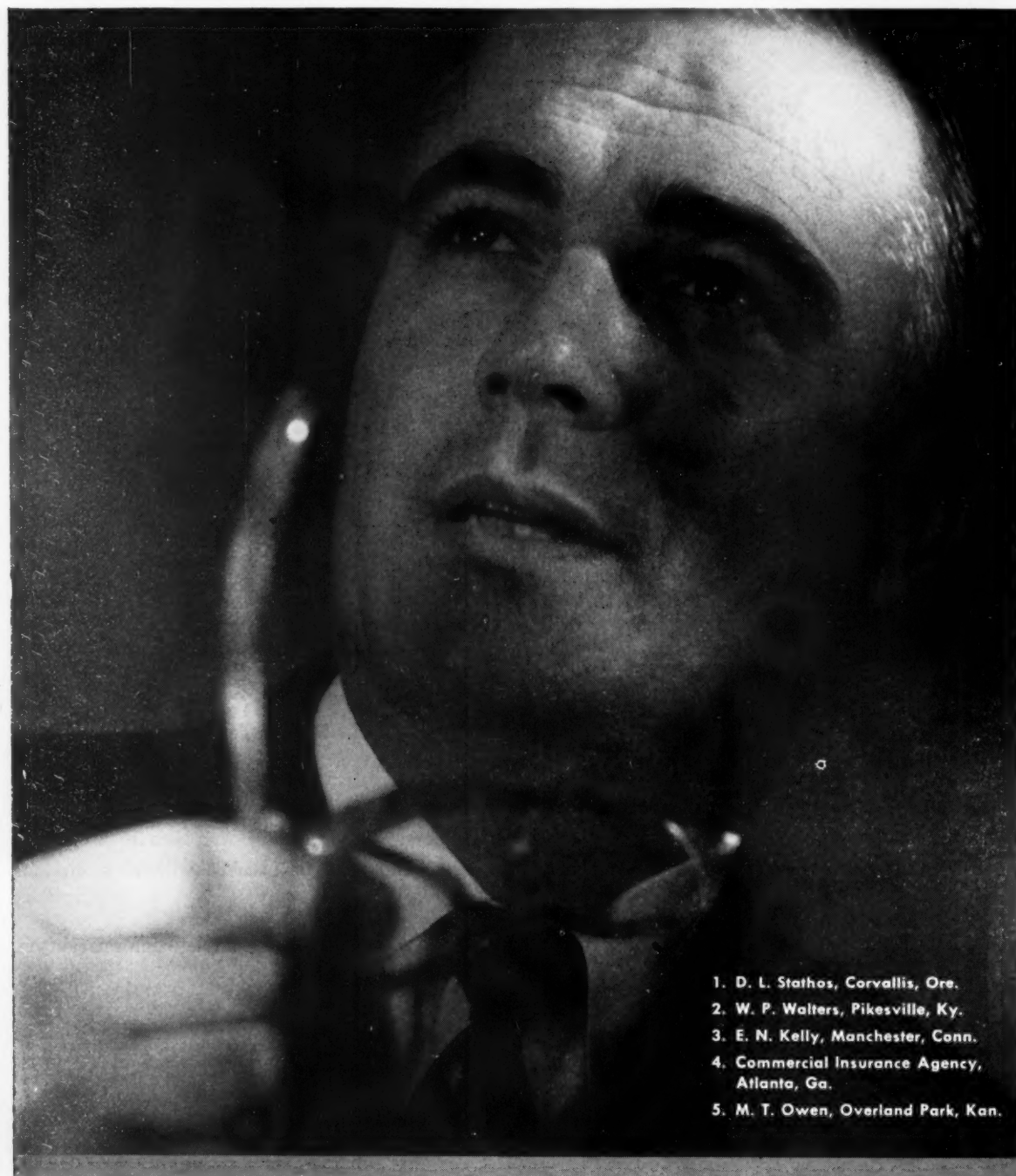
Mr. Schaffer presented several sales ideas which have worked for agents

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"AFCO HAS BEEN A TREMENDOUS AID TO THE GROWTH OF MY AGENCY."

Thanks to Afco, we can package the policies of any number of companies.² We've found that people buy more coverage when you talk about cost per month.³ Why, we

landed one of our largest accounts, with premiums of \$51,000, by suggesting an Afco budget plan.⁴ Another thing—Afco reduces our paper work and overhead.⁵



1. D. L. Stathos, Corvallis, Ore.
2. W. P. Walters, Pikesville, Ky.
3. E. N. Kelly, Manchester, Conn.
4. Commercial Insurance Agency, Atlanta, Ga.
5. M. T. Owen, Overland Park, Kan.

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Chicago CPCUs Hear How Insurers Are Evaluated

A discourse on evaluation of insurance companies was delivered by Chester M. Kellogg, vice-president Alfred M. Best Co., at the October meeting of Chicago chapter of Society of CPCU.

Mr. Kellogg said insurance is so tied to the economy that its ultimate health depends upon general conditions. However, the industry has its own special problems and has been "weathering a very depressing period in the midst of general prosperity."

Commenting on the development of new competitive rating plans and new policies, he forecast a period of "very aggressive competition in rates, classifications and coverages with substantial turmoil until these experimental plans have shaken down. Competition is exerting tremendous downward pressure on profit margins even before normal profit margins exist." Among other anticipated developments, he said he was watching for a clash of marketing philosophies when life and property companies integrate their sales forces and a tie-in between insurance and mutual funds.

In explaining how his organization rates the strength of insurers, Mr. Kellogg pointed out that size alone is no guarantee of successful operation. "Many small casualty companies writing specialized lines are carefully and efficiently managed, with volume of business and surplus funds in sound proportion to liabilities assumed."

Malpractice

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Md. Agents Buck Ban On AR Handling Fees

Maryland Assn. of Insurance Agents is maintaining its stand in opposition to Commissioner Sears' ruling against charging service fees for handling auto assigned risk applications.

Last March when the ruling was in the proposal stage, the association advised Mr. Sears of its disapproval on the grounds that it constituted an illegal interference with the right of private contract between a broker and insured. The association further held that the ruling might set a dangerous precedent because the commissioner was entering the field of commission regulation. Moreover, the 7½% commission now provided under the AR plan does not produce sufficient income to the producer for processing applications, the association stated.

Unable to dissuade the commissioner from issuing the ruling, the association subsequently referred the matter to counsel who advised that there is a strong possibility that the association could prove in court that the commissioner's action was illegal because he does not have sufficient statutory basis.

National Assn. of Insurance Brokers has also opposed the ruling and last June asked the association to join forces in opposing it. The matter is now being considered by the executive committee of the association to determine further action.

Agent Urges Use Of Home Fire Alarm Protection

A. L. Jagoe, District of Columbia agent, told Insurance Women's Club of Washington that the members should arouse public interest in home fire detection and alarm systems to save lives. Speaking at the October luncheon of the organization, Mr. Jagoe said there now is an effective storm warning system to give people 24 hours to evacuate areas threatened by hurricanes. Yet a whole family can die in their sleep or a classroom of children be suffocated to death by gases, heat or smoke from a basement fire of which they had no warning.

Though detection systems which are effective are available, few homes are equipped with such devices in spite of the need for them because most people are interested more in comfort and convenience than in safety, and there has been a lot of quackery in this field.

Mr. Jagoe suggested that agents' associations and the women's groups could do much—and should—to encourage such installations. He is starting personally to promote the idea among the clients of his office.

Water Fails, Store Burns, Insured, Insurer Recover

North Carolina supreme court has upheld the Carteret county superior court's ruling that Carolina Water Co. must pay \$15,000 damages for property destroyed by fire as a result of water pressure failure. Potter's Store, Beaufort, N. C., and New Hampshire, its insurer, received the award.

A fire broke out in premises adjacent to Potter's Store on Dec. 11, 1958. It was alleged that firemen had this blaze under control when the water supply suddenly failed for a period variously estimated at from 30 minutes to an hour and a half. Meanwhile Potter's Store caught fire, and by the time pressure was restored the fire was out of hand. The supreme court observed that failure of the water company to supply water supported a finding of negligence.

Aetna Casualty Has Agents In For Ideas

Aetna Casualty has held a conference at the home office for the seven national agent leaders in its recent promotional campaign for the company's new Auto-Rite safe-driver insurance plan.

Attending were Lee Wilts, Cedar Rapids, the national leader; James Sorg and D. G. Snyder, Indianapolis; Vincent McMahon, Detroit; John Bassett, Bridgeport, Conn., and Ross Dworsky and R. W. Johnson, Minneapolis.

The agents were invited to give their recommendations on the Auto-Rite program from the producer's point of view.

Utah AR Plan Reports

A report of operations of Utah Automobile Assigned Risk Plan for the 18-month period Jan. 1, 1959-June 30, 1960 has been sent to subscribers by Manager Albert H. Thurstin.

In the 18 months, 5,467 applications were received, of which 3,101 were new and 2,366 were renewal. Of the new applications, 2,365 were delivered, 58 were cancelled by insured, 67 were rejected by the companies, and 250 were cancelled for non-payment. An additional 361 applications were returned to the agents.

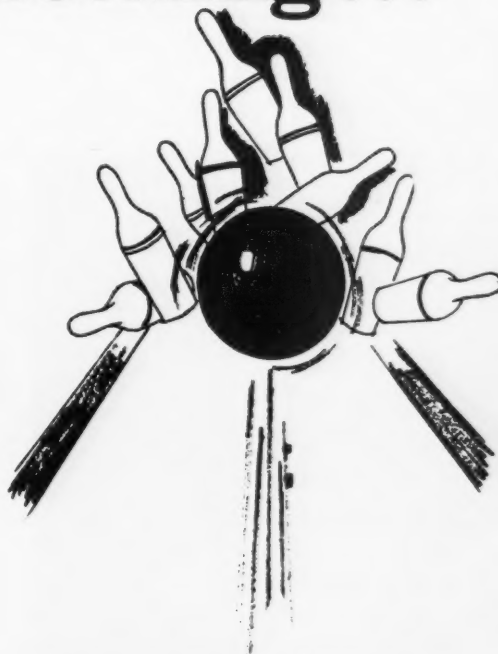
The plan wrote 1,404 renewals and 962 were not taken.

A review of 1958 policy year experience shows a total premium of \$145,091, paid losses and loss reserve \$87,287 and a loss ratio of 60.2. For PDL, the premiums were \$59,833, losses \$41,450 for a ratio of 69.3, and for BI the premiums were \$85,258, losses \$45,837 and the ratio 53.8.

State Farm Mutual Auto is the leading writer of automobile insurance in Utah. The next largest writers, in order, were Farmers Exchange, Travelers, Allstate, Truck Exchange and Western Casualty.

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FIREWORKS DISPLAYS... RIDING STABLES... GO-KARTS... BASEBALL PARKS...

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North Confirms Value Of Agents, Cites Areas For Reform, Deplores Inequities

John A. North, president Phoenix of Hartford, reassured independent agents on their indispensable role in an address at the annual meeting of Massachusetts Assn. of Insurance Agents at Boston. He noted that the tendency to eliminate the middleman and save that cost has always been prevalent in all lines of trade, but the current distribution system is needed.

It requires some overhauling and internal adjusting, Mr. North went on, and such moves are under way but not nearly completed. There is nothing fundamentally wrong with the agency concept but, in gearing to what's ahead, the business must be more realistic, less complacent, and assume the offensive more often.

Traditional insurers must under-

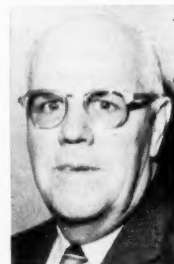
stand the economics of their own operations and their practical application in the market place. They need to re-adjust their pricing machinery to attract a better selection of risks. Mr. North observed with regret that the American consumer buys on a price basis generally, and not for quality. While many people will pay more for good service, there are many thousands who think they will never need service, so they buy the cheapest available insurance.

To obtain a more competitive price

(CONTINUED ON PAGE 13)

Kansas Agents Elect Elder At 40th Annual Meeting

WICHITA—Burton B. Elder Jr., Elkhart, was elected president of Kansas Assn. of Insurance Agents here as the group held its 40th annual convention. Mr. Elder replaces Maynard W. Angwin, Pittsburg, who was named state national director on the recommendation of the new president.



M. W. Angwin

A hearty and enthusiastic 550 attended the meeting which, as so many times in the past, was ably directed by the association's executive manager, Frank Dunkley. His untiring assistant was Miss Thelma Gilbert.

List New Officers

Other officers elected at this always important midwest gathering were Preston M. Bacon, Newton, president-elect; George T. Staebler Jr., Topeka, treasurer, and Donald W. Patton, Hutchinson.

Although the meeting was devoted primarily to sales (the Merrett-Adams Training Institute ran all four general sessions), certain traditional aspects remained. Among these were the farm underwriters' breakfast, at which E. R. Fosse, farm and hall superintendent Continental-National group, spoke on the "Five W's For Writing Farm Business"; the past presidents' dinner, and the banquet, at which Kansas Commissioner Sullivan installed the new officers.

Other features of the meeting included addresses of Curtis M. Elliott, University of Nebraska, and David Johnson, national advertising fund raising chairman, NAIA.

Among the resolutions adopted was one endorsing "the action of NAIA in opposing the activities of Standard Oil for their entry in the field of accident insurance."

Concurrent with the state meeting was a meeting of Kansas CPCU chapter. Dean Matthews, Ashland, was elected president, succeeding Jack Landreth, Lawrence; Paul Heiser, Wichita, was named vice-president; Larry Drehmer, Dodge City, secretary, and Jay Wanamaker, Topeka, treasurer.



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MANUFACTURERS OUTPUT
and similar covers**

M. D. Application For Malpractice Coverage Main Issue In Suit

U. S. ninth circuit court of appeals has affirmed a judgment by northern district court of California against American Mutual Liability in a suit involving alleged misrepresentation in the application for a medical malpractice policy. The case is reported in 10CCH (Fire & Casualty) 525.

Dr. E. Vernon Ashley practiced medicine in Hollywood, Cal., in the latter part of 1954 as an associate of Dr. A. E. Carter. In November, 1954, Mrs. Adelstein, a patient, telephoned one of the office nurses at the latter's home. The import of Mrs. Adelstein's conversation was that she had become addicted to narcotics because Dr. Ashley had prescribed excessive amounts in her treatment. She threatened to sue.

At the time, Dr. Ashley was himself a patient in a sanitarium at Glendale, Cal., undergoing treatment for narcotics addiction. While there, he was informed by a third party of the patient's complaint.

A criminal prosecution grew out of Dr. Ashley's treatment of Mrs. Adelstein, and on Dec. 10, 1954, following a plea of guilty and convictions of violations of the state health and safety code, he was sentenced to a term in jail and fined. The jail sentence was suspended, and Dr. Ashley was placed on probation for three years and lost his narcotics stamp giving him the right to prescribe narcotics.

Insurance Obtained

After these events Dr. Ashley applied for and received his malpractice policy. He obtained a binder on Jan. 9, 1955 and submitted a formal application on Jan. 19 in writing on a form supplied by the insurer. The policy became effective retroactively on Jan. 9. In the application Dr. Ashley asserted that no claims for professional errors or mistakes had ever been made against him, that no insurer ever cancelled any professional liability policy issued to him or declined to issue such a policy.

While the policy was in force, Dr. Ashley continued to practice and later in 1955 he treated Bette Jo Goff who died shortly thereafter. An action was brought against Dr. Ashley for malpractice by the heirs of Mrs. Goff. A judgment was recovered against him. During the trial, the insurer withdrew from the defense, returned the premiums paid and attempted to rescind its policy.

Thereupon, Dr. Ashley and the heirs

Changes At Walters Agency

James B. Murphy has been elected president of Edward H. Walters & Co. agency of Chicago. He has been executive vice-president and succeeds to the position left vacant by the death last May of Mr. Walters.

William A. Thurow is joining the Walters agency as vice-president and director of sales.

Mr. Murphy has been in insurance for 30 years. He started with Hugo Dalmar & Co. and went with Walters & Co. in 1947. He is a past president of Chicago CPCU. Mr. Thurow also started with Dalmar & Co. After four years he went into personal production in 1931 and for several years before the war was supervisor of the James Royer agency of Penn Mutual Life.

H. T. Scheuer continues as vice-president of the Walters agency in charge of fire and marine and Mrs. Ruth C. Roos continues as secretary.

of Mrs. Goff sued the insurer for relief as to liability. The insurer argued that insured's failure to disclose his criminal conviction, resulting in the suspension of his narcotics stamp, constituted concealment of a material matter on the application for insurance. The court, however, held that there had been no concealment rendering the policy voidable since it was not shown that insured had any reason to believe the matter was material, and the insurer's failure to inquire into such facts demonstrated a lack of interest in them.

View Upheld

The higher court upheld this view and further noted with respect to the contention that the policy was void, that the term "claim" as used in the policy was ambiguous. It was not clear whether "claim" referred to formal or informal complaints, and insured only had knowledge of an informal complaint through a third party. Therefore, insured could have believed his answer to the application question was true. Accordingly the trial court's verdict in favor of the Goffs, but excluding Dr. Ashley was upheld by the higher court.

Fidelity & Guaranty Life To Begin Sale Of Policies Nov. 1

BALTIMORE—Fidelity & Guaranty Life, new member of the United States Fidelity & Guaranty group, will initiate the sale of policies Nov. 1 through U.S.F.&G. branches at Baltimore, Harrisburg and Indianapolis. It will sell through the parent companies' local agents.

The company will offer a broad portfolio of policies, including packaged plans for homeowners and families, permanent and endowment plans, level term, business life insurance and special policies for juveniles. Many contracts will be oriented to the property insurance field. Up to Oct. 1, the company had been licensed in 34 states and the District of Columbia. By about Feb. 1, policies will be on sale at Pittsburgh, Richmond, Nashville, Memphis, Jacksonville, Miami, Oklahoma City and Denver.

Sertel-Reducka, M.&M. Combine

Sertel-Reducka agency of Miami has become a part of Marsh & McLennan. L. L. Sertel, president Sertel-Reducka,

will continue with the agency as vice-president at Miami of Marsh & McLennan, and T. D. Reducka, vice-president and treasurer of the Sertel-Reducka agency, will continue in an advisory capacity. Samuel B. Woods, who has been resident manager at Miami of Liberty Mutual, will join Marsh & McLennan as a vice-president.

Sertel-Reducka will continue to operate at 950 South Miami Avenue and its name will remain unchanged until the first of the year when it will become Marsh & McLennan.

The agency was organized in 1932. Mr. Sertel was the founder of Greater Miami Insurance Board and has been a director of Florida Assn. of Insurance Agents.

Marsh & McLennan has 26 offices in the U. S. The head office is at Chicago.

Ralph H. Perry Jr. has joined the Westfield agency, Westfield, N. J., as an account executive. The agency is an affiliate of Griswold & Co., brokers and average adjusters, with offices in New York City, Tampa, Los Angeles, San Francisco and Oakland. Mr. Perry was formerly with O'Gorman & Young, Newark agency.

SINCE WHEN?
an excess auto plan
for assigned risks?
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Right now! With court awards continuing to exceed minimum legal requirements, your clients can't afford to be under-insured. Higher liability limits are available at favorable rates. Arrange this excess coverage for your insureds through our facilities.

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Wisconsin Agents Concentrate On Selling At Convention

(CONTINUED FROM PAGE 2)

which should be able to move.

Mr. Helmer also advocated showmanship and a showy sales approach. This will keep the prospect interested and whet his curiosity.

The Merrett-Adams program was a didactic presentation conducted by James T. Adams and William T. Harris. The Shreveport, La., based institute, which appeared last month at the NAIA annual meeting and at other state conventions in the past two years,

consists of discussion, illustrative dialogues and audience participation. Among the subjects covered are how to approach, who to approach, how to lay a sales foundation, how to get the prospects to admit they need coverage, when to mention premium costs, and how to parry the prospects' objections. Messrs. Adams and Harris stressed that sales principles never change but the buyers do.

John Batenburgh, Racine, outgoing state national director, reported on the

NAIA meeting at Atlantic City. He said he regretted that more registrants at the national convention did not attend the state national board meeting because this is an excellent opportunity for local agents to make known their desires and help NAIA formulate policy. Any NAIA member may submit proposals for the state national board agenda and is eligible to serve on committees, he pointed out.

Could Initiate Trend

Commenting on the Standard Oil credit card accident policy, he opined that it would not siphon off much of the average agent's income. However, he said he feared it could initiate a trend by non-insurance organizations of selling automobile and package policies.

The association approved two resolutions which concurred with positions taken by NAIA at its annual meeting. One backed the NAIA reaffirmation of its 1953 policy of opposing unilateral commission reduction, continuous policies and direct billing, and another resolution supported the national association's petition requesting Standard Oil to withdraw its accident coverage.

The luncheon speaker, Commissioner Charles Manson, reviewed activities of the various committees in which agents had volunteered to work with the Wisconsin department. A committee on fictitious groups has helped to draw up an administrative rule which defines "any groupings of risks which have no preferred characteristics over similar risks written on an individual basis, for the purpose of insuring at a preferred rate or premium, or for any other pecuniary advantages" as a fictitious group.

Study Restrictions

Another agents' voluntary advisory group studied restrictions of coverage. One policy which was considered—a retrospective assessment coverage which indemnifies insured for any retrospective debit premium in excess of standard premium—is being held in abeyance until the attorney general issues an opinion on the department's questions.

Some companies will not provide replacement insurance for contents under any circumstances if replacement is not required at the same location. The committee on coverage restrictions has agreed that there is no statutory or departmental interpretation involved and the problem seems to be to encourage more insurers to offer coverage with liberal underwriting rules, Mr. Manson said. Agent members of the committee are encouraging insurers to provide liberal replacement insurance as needed. It has been suggested that this question be

raised at the Midwest Agents Conference committee meeting.

Concluding his talk, the commissioner predicted a bright future for the American agency system and said that neither the department nor agents were interested in preserving the status quo with the idea that the ideal plateau has been obtained. "With this thought in mind, I think we can all agree that it is often difficult to discern the difference between stability and rigor mortis, so I believe the industry and the public will welcome new approaches to the old problem of proper insurance as they are developed by cooperation in this great business."

The functions of Insurance Institute for Highway Safety were explained by Adrian Koert, Wisconsin staff manager. Two principal areas of operation, he said, were the grants-in-aid in which financial assistance is given to organizations working on traffic safety and the direct assistance programs in which the institute works with the states. Three states—Arizona, Florida and Wisconsin—are now being assisted in the latter manner.

Mr. Koert said the institute seeks to strengthen public support activities and to determine priority needs as indicated by state traffic officials. As priority needs for Wisconsin, he listed a uniform accident reporting system, expansion of driver education and addition of 15 to 20 motor vehicle department examiners so that special attention could be given to problem drivers. As a means of financing an expanded driver training program, he proposed adding 50 cents to the present \$2 driver license fee.

Sold On Road Aid

Advertising and Road Aid were discussion subjects at a public relations dinner-conference. Wisconsin agents were among the first to adopt Road Aid, and Howard M. McKee, Milwaukee, said he was 100% sold on it. "I have seen what it has done for our agency," he said, and he credited it with being instrumental in recapturing for him a great deal of business he had lost to direct writers.

Since the garage sends the bill for towing directly to Road Aid, there is little or no paper work involved for the agent and certainly less trouble than is presented by the average claim. In urging agents to use Road Aid, he cautioned them to screen their insured and weed out those who would abuse the service.

Mr. McKee's emphasis on the program was aided by the introduction of Miss Wisconsin Road Aid, Delores Paul, a comely married miss from the Mayfair agency of Milwaukee.

Ways in which agencies can use advertising to their advantage were outlined by Jack Stephan of the Stephan & Brady advertising agency of Madison. People receive an advertising impression every six seconds of their waking hours, he said, and the success of advertising is determined by the format, media and frequency.

Cannot Create Image

Advertising cannot create an image, it can only reflect one, he explained. "You have to be something or have something, and if it isn't true, people will find out." The job of advertising is to give people an awareness and make it a pleasant awareness, and that is all that can be asked of it.

As a means of obtaining a specific audience, Mr. Stephan suggested that the agency specialize in a type of coverage and direct its concentrated advertising to the audience which would be interested in it. He cited

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malpractice liability coverage as an opener to the doctors' market.

At the awards banquet, the Maryland Casualty plaque was presented to the Kenosha association in recognition of outstanding local board activities. Eight individuals received outstanding service awards. The recipients and their offices or performances honored are John Batenburg, Racine, state national director; Wayne Reesman, Milwaukee, director; Robert Demgen, president of the Superior association; John English, Arcadia, membership; Robert Grady, Madison, legislative; Henry H. Bush Jr., Madison, education; Clarence Wilda, Eau Claire, district 10 director; and Kenneth Killberg, Racine, district 2 director.

Three Insurers Sponsor Show

Highlight of the banquet was a superb floorshow presented through the courtesy of Northwestern National, General Casualty, and Time of Milwaukee.

Registrants were treated to famed Milwaukee genuetlichkeit mit schnapps in 47 hospitality suites. Those companies, agencies and associations maintaining headquarters were Continental Assurance, Aetna Casualty, American, Bituminous Casualty, Boston Indemnity, Boston, Capitol Indemnity, Centennial, Continental-National group; Employers group, Federal Underwriters, General Accident, General Casualty, Hartford Fire, Home, Millers National, New Amsterdam Casualty, Northern Assurance, Ohio Casualty, Old Colony, Penn managing general agency of Ohio Farmers, Potomac, Reliance, Ronnie Vetter agency of Continental Assurance, Springfield-Monarch, Travelers, and Trinity Universal.

Also, U.S.F.&G., Western companies, Zurich, Corroon & Reynolds, Fireman's Fund, American Surety, Pacific National, Phoenix of London, Kenosha agents' association, American Casualty, Providence Washington, Standard Accident, Fidelity & Deposit, Sun-Atlas-Royal Exchange, Economy F.&C., Stuyvesant, Appleton & Cox, Crum & Forster, and Royal-Globe.

Yorkshire and Seaboard F.&M., affiliates of America Fore Loyalty, have moved into the latter's headquarters building at 80 Maiden Lane, New York. The two companies were formerly at 90 John Street.

Seibal Adjustment Bureau has moved its Philadelphia office to larger quarters at 432 Bourse Building, Independence Square, Philadelphia.

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Program Is Ready For Casualty Actuaries

At its fall meeting in the Statler Hilton Hotel, Washington, D. C., Nov. 16-18, Casualty Actuarial Society will hold four simultaneous seminars, and these will be repeated the same afternoon. They will deal with automobile merit rating, guaranteed renewable automobile insurance, hospital and surgical benefits for persons over 65, and statistics for rating and research.

On Thursday William Leslie Jr., general manager of National Bureau,

will give his presidential address. There will be a social hour that evening. Thomas C. Morrill, vice-president of State Farm Mutual Auto, is the banquet speaker.

Skelding Will Report

On Friday the secretary-treasurer, Albert Z. Skelding of National Council on Compensation Insurance, will report. New associates will be introduced, and diplomas presented to new Fellows. Following the annual election, previously presented papers will be discussed and new papers presented.

Bear, Neal Advanced By Hartford Accident

Hartford Accident has named William D. Bear agency superintendent at Indianapolis. He is succeeded as special agent in western Indiana by Sherman H. Neal.

Mr. Bear joined the company in 1953 after operating his own agency in Zionsville, Ind., for two years. He was named special agent in 1955. Mr. Neal, with the company since 1957, has been supervisor of an underwriting unit at Indianapolis.

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For People on the Go

TRIP-SURANCE is for everyone who travels . . . no matter when or where they travel. TRIP-SURANCE is for agents too . . . agents who like to sell the quick and easy way. Wherever your clients go, make certain they go protected. Sell them Employers' TRIP-SURANCE.

TRIP-SURANCE provides world-wide travel accident coverage on a twenty-four hour basis. Policy terms range from three to one hundred eighty days.

TRIP-SURANCE is highly salable and easy to handle!

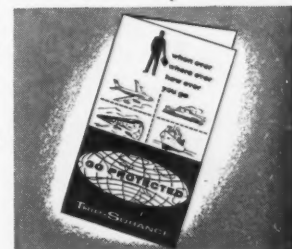
Policies are issued in the Agent's office. No delays.

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Monthly reporting forms are simple.

Attractive counter/window display helps to sell.

Sales brochure is complete with policy description, rates and application.



Contact your nearest Employers' Group office and ask for your "easy to buy, easy to sell" kit which includes counter/window display, sales brochures and simplified applications.

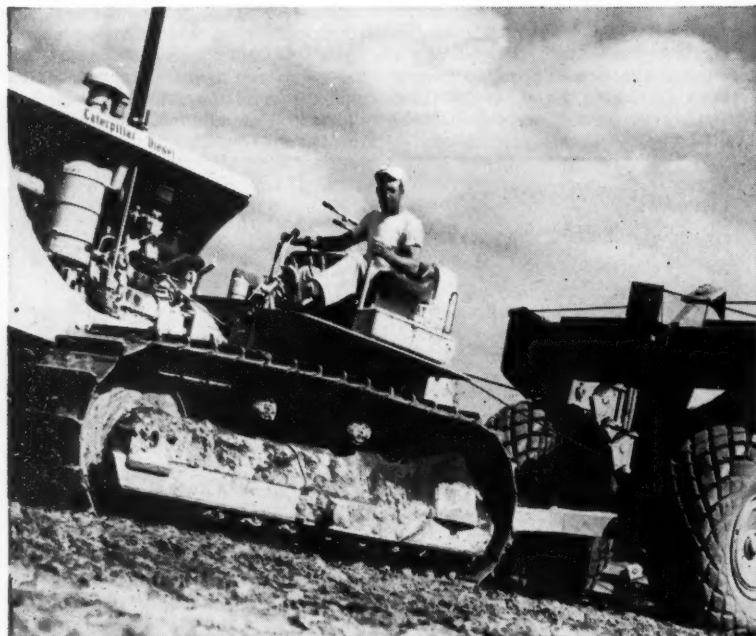
THE Employers' Group OF INSURANCE COMPANIES



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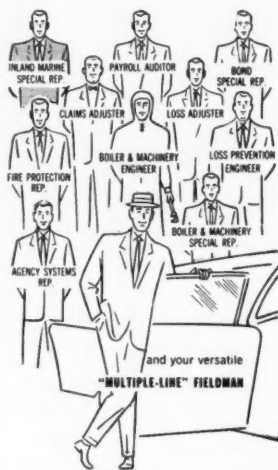
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The Halifax Insurance Co. of Mass. • The Employers' Life Insurance Company of America





BUILDING UP THE BUILDER

Insuring contractor's equipment can be hazardous — for you. Not knowing *how* to tailor coverage for a hundred-thousand dollars worth of machinery — a typical risk — can reduce the contractor's confidence in you and could cost you the account. But when Royal-Globe's Inland Marine special representative is called to solicit, quote premiums and tailor coverage, you build yourself a better position. Our IM man knows the machines, the risk involved in different projects, and the different patterns of deductibles to apply. For building up the contractor — or any IM client or prospect — call Royal-Globe's Inland Marine special representative!



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Conventions

- Oct. 27-29, New Mexico agents, annual, Western Skies Hotel, Albuquerque.
Oct. 30-Nov. 1, Illinois agents, annual, Pere Marquette Hotel, Peoria.
Oct. 30-Nov. 1, Tennessee agents, annual, Andrew Jackson Hotel, Nashville.
Oct. 31-Nov. 2, Nevada agents, annual, Las Vegas.
Nov. 1-3, National Assn. of Independent Insurers, annual, Chase-Park Plaza, St. Louis.
Nov. 2-3, Michigan mutual agents, annual, Pantlind Hotel, Grand Rapids.
Nov. 9-11, Insurance Section, American Management Assn., fall conference, Drake Hotel, Chicago.
Nov. 10-11, Central Claims Executives Assn., Morrison Hotel, Chicago.
Nov. 13-15, Kentucky agents, annual, Kentucky Hotel, Louisville.
Nov. 14-16, Indiana agents, annual, Claypool Hotel, Indianapolis.
Nov. 16-18, Casualty Actuarial Society, annual, Statler Hotel, Washington, D.C.
Nov. 21-22, Illinois mutual agents, annual, Pere Marquette Hotel, Peoria.
Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, regular meeting, Commodore Hotel, New York.
Nov. 30, Insurance Federation of New York, annual luncheon, Waldorf-Astoria, New York City.
Dec. 1-2, Conference of Mutual Casualty Companies, accounting & statistical, office methods & personnel meetings, Conrad Hilton Hotel, Chicago.
Dec. 1-2, Insurance Advertising Conference, midyear, Statler-Hilton Hotel, Washington, D.C.
Dec. 28-30, American Assn. of University Teachers of Insurance, annual, St. Louis.

1961

- Feb. 9-10, Conference of Mutual Casualty Companies, fire conference, Conrad Hilton Hotel, Chicago.
Feb. 13-15, Health Insurance Assn., group insurance forum, Biltmore Hotel, New York City.
Feb. 22-24, Michigan agents, midyear, Statler-Hilton Hotel, Detroit.
March 9-11, Tri-State mutual agents of Pennsylvania, Maryland & Delaware, annual, Penn Harris Hotel, Harrisburg.
March 12-15, National Assn. of Mutual Insurance Agents & Texas mutual agents, combined midyear, Shamrock-Hilton Hotel, Houston.
March 14, New Jersey agents, midyear, Cherry Hill Inn, Haddonfield.
March 17-18, Mississippi mutual agents, annual, Edgewater Gulf Hotel, Edgewater Park.
March 23-24, Conference of Mutual Casualty Companies, underwriting conference, Conrad Hilton Hotel, Chicago.
April 17-18, Ohio mutual agents, annual, Neil House Hotel, Columbus.
April 17-19, National Assn. of Insurance Agents, midyear, Philadelphia.
April 20-21, Southern Claims Conference, annual, Dinkler-Plaza Hotel, Atlanta, Ga.
May 4-5, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.
May 7-9, Virginia & D. C. mutual agents, annual, Williamsburg Inn, Williamsburg.
May 7-10, New York State agents, annual, Syracuse Hotel, Syracuse.
May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.
May 14-16, Iowa agents, annual, Savery Hotel, Des Moines.
May 14-17, Insurance Accounting & Statistical Assn., annual, Biltmore Hotel, Los Angeles.
May 17, National Assn. of Independent Adjusters, Sheraton Towers Hotel, Chicago.
May 18-19, Arkansas Agents, annual, Arlington Hotel, Hot Springs.
May 18-20, Texas agents, annual, Galveston.
May 25, National Board of Fire Underwriters, annual, Commodore Hotel, New York City.
June 4-9, National Assn. of Insurance Commissioners, annual, Bellevue Stratford Hotel, Philadelphia.
June 12-14, International Assn. of A. & H. Underwriters, annual, Waldorf Astoria Hotel, New York City.
June 15-16, Wisconsin mutual agents, annual, Schwartz Hotel, Elkhart Lake.
June 15-17, Georgia agents, annual, General Oglethorpe Hotel, Savannah.
June 18-21, Conference of Mutual Casualty Companies, management conference, Hershey Hotel, Hershey, Pa.
June 26-28, Virginia agents, annual, The Homestead, Hot Springs.
June 29-July 1, Florida agents, annual, Fontainebleau Hotel, Miami Beach.
July 4-6, International Assn. of Insurance Counsel, annual, Queen Elizabeth Hotel, Montreal, Canada.
August 6-10, Honorable Order of the Blue Goose, annual, Statler Hotel, New York City.
August 17-19, Texas mutual agents, annual, Texas Hotel, Ft. Worth.
Sept. 7-9, New Jersey agents, annual, Traymore Hotel, Atlantic City.

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North Confirms Value Of Agents

(CONTINUED FROM PAGE 8)
and still provide the public with agency services, traditional insurers must find some formula for adjusting cost factors which make up the expense portion of the premium dollar, Mr. North declared. Apparently higher loss ratios are here to stay. Furthermore, state regulatory authorities are not generally disposed to recognize adequacy in rates to meet both higher losses and a fair profit. Thus if any profit at all is to be squeezed out of the earned premiums, both companies and their agents will be compelled to reduce their respective expenses still further. Some of this movement is well along, at least at the company level.

Still Room For More

It is true that the controllable items of expense are a small percentage of the total, but there is still room for more to be done. Uncontrollable expenses are almost impossible to shave. Taxes, board and association assessments, loss adjusting expense, fringe benefits, auditing and examining by state authorities, certain communications, printing, etc., leave little room for more than fractional savings, and these have already been just about exhausted, Mr. North noted. Salaries, travel expense, data processing, advertising, postage, telephone, dues, and charitable contributions, are about all in the list of controllable items, and none of these holds much room for adjusting now.

This brought him to the largest item of expense—commissions. It is interesting to compare the expense breakdown of direct writing and/or non-agency companies with those of agency companies, Mr. North said. They are not much apart on loss ratio, although their losses are figured against a lower unit premium. But with slight variation, there is no great difference on other operating expenses, before federal income tax, except sales expense or commission. In fact, their prices are generally gauged to recognize this important difference.

Net Rate Proposal

Mr. North noted that in a recent article on Allstate in Fortune magazine, Perrin Stryker, the author, maintained that Allstate was able to cut its price mainly because it refused to adopt the

traditional agency system. The commission difference admittedly, then, gave them their incentive and their subsequent foothold.

To complicate the picture for traditional agency companies, agents occasionally weaken their position by selling policies in "cut-rate" companies when they run into a little price competition, instead of trying first to justify a fair charge for their own valued service, Mr. North commented.

He said that he had once mentioned the term "net rates" in a speech in Louisville as a possible solution to the price problem. The agent could add a fee or service charge to make up the final premium, and Mr. North had compared it to the professional service fees of doctors, lawyers, etc. Complaints came to him from agents far and wide for even mentioning it, although the practice is in daily use on large compensation and liability risks. When the agent does it voluntarily, it is supposedly defensible, Mr. North observed.

Prospects On Commissions

There is every indication that commissions will be gradually adjusted downward as time goes on, he continued. The effect should be reflected in the rate. This is the largest but not the only area of expense that has not been adjusted to its economic level. However, there are many ways in which he believes the agent could save expense that might conceivably equal such an estimated adjustment. This would include continuous policies, renewal certificates, direct billing, and merging some of the mechanical operations with other agents. Continuous policies and direct billing are particu-

Bosler Retires After 47 Years

Frank Bosler, insurance department manager Citizens Bank & Trust of Louisville, has retired after 47 years with the bank. Initially handling insurance policies for the trust department, in 1920 he organized the bank's insurance department, which has since become one of the largest insurance agencies in the state. He is succeeded by B. H. Wellons, his assistant, who has been with the bank 28 years and at one time operated a local agency in Louisville.

larly adaptable to class-rated and class-underwritten risks, such as autos, dwellings, homeowners, etc.

While groups of agents could combine their policy writing, billing, and accounting, there may be other objections to this, and, in any case, the use of electronic data-processing equipment by companies today probably points to more efficiency and a more practical solution to these mechanical costs.

A good deal can be learned from the life companies. Life agents are not much hampered by multiple office de-

tails. In fact, everything is done by their companies to save the agent's time for more vital sales efforts. This is where property insurers and their agents seem to fall down. Agents need more time to call on customers and prospects, and insurers need to relieve agents of some of the expensive mechanical detail. Agents can still realize as much net profit, Mr. North believes, even at lower rates of commission, and the product can be priced at a more competitive figure, which will aid agents' volume and improve company selection.



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Camera Focuses On Wis. Agents' Meeting

(Complete Convention Report Begins On Page 2)

Three past presidents of Wisconsin Assn. of Insurance Agents at Convention in Milwaukee are, from left: William A. Gottsacker, Sheboygan; Charles L. Manson; and Arthur R. Moss, Beloit. Mr. Gottsacker is out-going president, and Mr. Manson, now Wisconsin commissioner, was luncheon speaker.



Unfortunately, tow trucks do not respond to service calls with Miss Wisconsin Road Aid. Escorting Mrs. Delores Paul at Wisconsin Assn. of Insurance Agents' convention are her boss, Arthur Lintott (right) of Mayfair agency, Milwaukee, and Derral L. Clark, executive secretary of Milwaukee association.

Appearing at convention of Wisconsin Assn. of Insurance Agents are, from left: John J. Batenburg, Racine, out-going state national director; Henry H. Bush, Madison; and George A. Timm, Kenosha. All are past presidents.



Form Manion & Hogan

Manion & Hogan, general insurance adjustment firm, has been formed at Chicago with head offices in the Board of Trade Building. Branches are located in Alton and Benton, Ill. The principals, Thomas F. Manion and Robert T. Hogan, have spent their entire business careers in the adjusting field—a combined total of 50 years. Most recently, Mr. Manion has been superintendent of claims of George F. Brown & Sons for 10 years. He has been a member of American Bar Assn. for 28 years and is a member of the Illinois and Missouri Bars. Mr. Hogan has owned and operated the adjusting firm bearing his name for three years.

Home Changes In Wash.

Milton O. Olson has succeeded Ward B. Crockett as special agent of Home in eastern Washington and northern Idaho. Mr. Crockett has been transferred to Toronto.

Celina Mutual Names Adjusters

Celina Mutual group has appointed Gust Pappas adjuster at Canton and Jay D. Gould at Dayton. Mr. Pappas has completed home office training. Mr. Gould has been in claims work for 16 years, most recently with Shelby Mutual.

Consolidated Mutual of Brooklyn has been licensed in Washington.

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HIA Individual Forum Hears PR's Vital Importance

(CONTINUED FROM PAGE 1)

one such analysis did the company find or has it since found that the over-age risks were responsible for the poor territorial experience. They were invariably giving better experience than the balance of the exposure. In most cases the experience would have been considered good, standing on its own feet. And this was from business which was not rated up because of age.

Coverage Isn't New

Mr. Washburn said his company also noticed that "these older folks seemed to give us very complete and honest applications and didn't seem to overstay in the hospital very often." He said he wanted to make it clear that senior risk insurance isn't new to some companies and it has generally been at least as profitable as other hospital insurance for those who have been writing it.

Mr. Morrell, commenting on what senior citizen business has meant to his company, said there is a unique satisfaction when a public corporation can perform the dual task of substantially contributing to the solution of a massive community problem and at the same time look its stockholders in the face from a profit and loss standpoint.

Enough has already been accomplished, he said, to prove that the insurance companies can successfully tackle this great and corroding problem of how mothers and fathers will be cared for in their golden years—and who will pay the bills.

Warns Of Welfare State

Mr. Morrell said the business should not fool itself, and warned that if the industry cannot absorb the volume demanded of it, then the alternative of the welfare state is that much nearer.

Mr. Ulfers said the senior citizen policies created in the 1940's by Mutual of Omaha, "have been successful for us." He stressed the value of electronic data processing machines in his company's senior security program. He said it was too early to evaluate the over-all experience of the program but the company is optimistic after its appraisal of the available facts.

He said that during the current program his company has issued over 300,000 policies to people over age 65. "The enrollment type, no-right-of-selection approach, promoted through our regular agency system on a nationwide basis, was the secret to the success we had," said Mr. Ulfers.

At least 288 voluntary health insuring organizations currently issue new individual hospital or surgical policies

to persons 65 years of age or over," Ardell T. Everett, 2nd vice-president Prudential, told the first session.

These organizations include insurance companies, Blue Cross-Blue Shield plans and other insuring plans, Mr. Everett said, and he reported that:

—At least 51 companies offer individual health policies guaranteed renewable for lifetime, and that of these, at least 31 companies issue this lifetime protection to persons 65 or over.

—Several companies offer policies through a mass enrollment approach to all senior citizens regardless of medical history.

—At least 82 companies, which issue 90% of the group health insurance written by the business, and a number of other insuring organizations offer policies continuing coverage under group plans for retired employees.

—At least 214 insuring organizations give retirees the option to convert from their group plan to an individual policy.

Importance Of Problem

Mr. Everett said the resolution of the health care problem of the aged will determine the ultimate solution of all health problems for all ages. He urged HIA's 267 member companies to become even more active in providing senior citizen coverage.

Mr. Everett said that health care has become a "very satisfactory" political action device. It is emotional in nature; it is hard to define; it is difficult to oppose; it draws a wide press. "We know that the welfare planners will be satisfied to start the legislation at any age, in any manner, in any amount. With them the foot-in-the-door concept is not just an adage; it is a realistic approach," he said.

Keynote Address

In his keynote address, Millard Bartels, president HIA and chairman insurance executive committee Travelers, urged the health business to increase its interest in new areas and promote the development of needed health and medical care facilities.

Mr. Bartels said the industry must become identified with an interest in the health and medical care of the people. It should manifest by what it does and what it says a genuine regard for the good health of the country's citizens.

Promotion of the development of health and medical care facilities would include hospitals, skilled nursing homes, home care programs, nurses, homemakers, chronic illness facilities, geriatric facilities, diagnostic and rehabilitation opportunities, mental ill-

ness facilities, clinics and other categories, he said.

Mr. Bartels said better nursing home facilities for long-term care of the aged has been called the most urgent health care need before the nation today. This is an area, he said, where doctors, hospitals and health insurers should work together with the proper kind of representation of the nursing home business.

Participating In Financing

Under some conditions "we could be helpful in providing nursing home care in conjunction with a hospital, possibly with the help of federal funds . . . in other areas it might be wise to participate in financing expansion of this service in coordination with the provisions of the small business loan program," Mr. Bartels stated.

Several companies have taken constructive action in the rehabilitation field, restoring disabled human beings to a satisfactory and useful life, but there is a crying need for more of this throughout the country.

Mr. Bartels said the health insurance

business had experienced quite a storm in the past year in which "our accomplishments have been glorified by some and discounted by others." He reported that some 130 million Americans—73% of the civilian populations—now have some kind of medical expense insurance, and that during 1959 nearly \$5.2 billion in health insurance benefits were distributed.

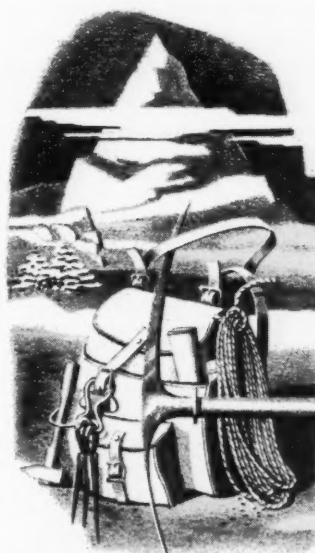
Tuesday Morning Session

Warning that business growth is not enough, Mr. Bartels declared: "Our companies must be regarded not only as mechanisms to spread the cost of medical care, but also as motivators of improvement in health. Our business must wear a mantle of humanity. This is the kind of business which the American people will not want to extinguish in favor of government monopoly."

The Tuesday morning session consisted of a symposium on substandard. Byron S. Davis, State Mutual Life, presided, and those contributing to the subject included Charles N. Walker, Lincoln National Life; Peter J. Burns, New York Life, and Rodney U. Clark, Paul Revere Life.

Mr. Clark's aspect of the problem was the riskiest—prognostication. He

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predicted that the success or failure of a company's substandard program will ultimately depend upon the quality of its underwriting.

Groping their way into this field will reveal certain factors to companies—and what they learn may well be far different from what they have been expecting, Mr. Clark said.

A greater pooling of experience will occur. This pooling, however, must always be critically judged, as such results are not invariably reliable because of the variance of policies from company to company.

Mr. Clark said to look for a good deal of "expertising"—and especially from the six-month experts. It will take a good deal longer than six months to develop any really valuable information, he stated.

There is especial danger to the smaller companies in this field of substandard risks. They must be wary that they do not venture out into waters best traversed only by larger companies. Large companies have sufficient reserves to get them out of difficulties smaller companies would be paying for for many years to come.

Noncellable substandard policies are not for the smaller company. Such companies need the non-renewable feature to relieve them of difficult cases, Mr. Clark suggested.

Extra-premium policies would seem

to be preferable to waiver endorsement policies, he said and concluded by stating only a dreamer could believe that substandard policies are the entire answer to writing everybody, since the extra premium needed to safely underwrite certain risks would be far too exorbitant.

Mr. Walker discussed the actuarial considerations in a substandard program. He said the problem seemed to break down into four main areas: Nature of the risk; premium calculations; evaluating the risk, and the statistical program.

Underwriting Variances

It is important to remember that the underwriting aspects on the accident side and the sickness side are not always equal, he said. Some applicants make better sickness risks; some better accident risks—in other words, a man with two legs is going to be able to dodge taxis a good deal easier than a man with only one leg. Rating formulae, therefore, must be extremely flexible.

Mr. Burns said he thought there were many more companies writing substandard than the publicity would suggest. He said the declination cases at his own company were reduced after agents were properly informed as to exactly what the substandard risk consisted of. The original impression



Directors of Travelers recently held a two day meeting at Chateau Frontenac, Quebec, to mark the companies' 95th anniversary in Canada. Board members shown from left are Norman B. Bertolette, chairman Hartford Gas Co.; H. Mansfield Horner, chairman United Aircraft Corp.; George B. Foster, Foster, Hannen, Watt, Legatt & Colby, Montreal; Millard Bartels, chairman Travelers executive committee; J. Doyle DeWitt, president; Barry T. Leithead, president Cluett, Peabody & Co.; James A. Taylor, president Standard Screw Co.; George Champion, president Chase Manhattan Bank; William C. Skinner, real estate, Hartford; and J. Watson Beach, Hartford business man. Mr. Foster was host to the meeting. The directors also held a reception for all company representatives in the Quebec City area.

that "the lid was off," soon gave way to a good idea of what could be written and what could not.

Agents seem more receptive to the extra premium policies than to those with waiver endorsements, he said. It is far better to have full coverage, even if it does mean a bit more premium—especially from the selling side.

Member of the St. Louis Blue Goose and their wives have made arrangements to attend the Missouri-Colorado football game Nov. 5 at Columbia, Mo. They will travel in a chartered bus and on the way back will stop for dinner at St. Charles, Mo.

N.M. Hailstorm Set At \$380,000; Report 15,000 Losses

The hail storm that hit northeastern New Mexico two weeks ago is estimated by General Adjustment at \$380,000. The storm came in from the northwest and showered hailstones reported to have been one inch in diameter, and was followed by some three days of rain.

The vicinity of Clovis will have approximately 600 losses with an average loss of \$250; Portales has some 800 losses at the same estimate, and Texico is figured at 100 losses at \$300 per loss.

The bureau has moved additional help into the area to facilitate claim handling.

Changes In Tex. Auto Rates Are Stalled

AUSTIN—New insurance rates for private automobiles in Texas at the moment are remaining unchanged as a result of further delays requested by members of the Board of Insurance for the purpose of studying proposals for increases and for certain refinements in the safe driver plan.

Awaiting action are recommendations of department actuaries for an increase of 13.3% in BI and 4% in collision rates. The only approval so far is for a 9% reduction in rates for most commercial vehicles.

Concurrently the board, which is sharply divided in its views on auto coverage, refused to re-adopt the present rates for next year.

Underwriters Adjusting Makes Changes In Neb.

Underwriters Adjusting has promoted Duane H. Aldrich from manager and general adjuster at Lincoln to manager at Omaha where he succeeds the late Donald Kiefer.

Hugo T. Enholm Jr., manager at North Platte, will take over the managerial duties at Lincoln, and Kenneth L. Lant, senior adjuster at Lincoln, becomes manager at North Platte.

All the changes are effective Nov. 1.

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Ohio Agents Meet At Columbus



Kenneth H. Harger (left), Bowling Green, retiring president of the Ohio Association; Douglas N. Avery, executive secretary; Robert M. Bell, Springfield, president, and John W. Hemphill, Painesville, state national director.

Farmowners Package Cover Full Program Program Discussed At Annual Meeting Of Ohio Agents

**Cook Wins Revere Trophy;
Johnson Honored; Company
Men Are Recognized**

By KENNETH O. FORCE

COLUMBUS—The program of the annual convention here of Ohio Assn. of Insurance Agents—from the opening remarks of Cooper M. Cubbage of Jacksonville, Fla., new NAIA vice-president, to the final hammer of the gavel by Kenneth H. Harger of Bowling Green, retiring president—was impressive in subject matter and content. There were two papers on agency contracts, two presentations on the automobile situation, and an excellent review of accomplishments in the legislative field by the association presented by Arthur M. O'Connell of Cincinnati, past president.

In addition to Robert M. Bell of Springfield, who was elected president, and Paul R. Whitbeck of Cleveland, who was named vice-president, trustees reelected Dwight H. Rutherford of Athens treasurer, Douglas N. Avery secretary, and John W. Hemphill of Painesville state national director.

The new trustees are Fred Packer of Martin's Ferry, W. W. Steele Jr. of Canton, Robert E. Gorman of Paulding, and Marion H. Crowder of Elyria.

Mr. Bell is past president of his local association and has been active in the state group as trustee, treasurer and vice-president. Mr. Whitbeck is past president of the Cleveland Board. He entered the business in 1939 and is a vice-president of the W. F. Ryan Corp. He is a director of National Assn. of Casualty & Surety Agents.

Robert L. Cook of Martin's Ferry was awarded the Paul Revere trophy, the association's highest honor, for his

COLUMBUS—More than 100 attended the rural agents' breakfast during the convention of Ohio Assn. of Insurance Agents here. Most of the discussion was about the new farmowners package program which is being developed by the stock companies writing farm business.

Brice Hendrixson of Batavia presided. He observed that the close partnership that formerly existed for many years between agents and their companies seems to have disappeared. Companies used to be interested in the agent; they helped him in many ways including the making of sales. But today things are different. One company that he has represented for many years, for example, has sent a special agent to visit him once in the last two years.

He said he thought companies are giving the agent too much responsibility today. They are leaving too much up to him. However, things are not all bad. People are buying more insurance as they build more and add to their activities. What the agent needs to do is to go out and sell, he said.

Many Problems

The development of the farmowners package has been difficult, Kenneth S. Ogilvie, secretary-treasurer of Farm Underwriters Assn., told the breakfast. It is fairly easy for the independent company to make such a filing. Ohio Farmers and other insurers have filed such forms in Ohio. There is no criticism of this, he said.

But among the problems of his association is the fact that some companies are members of the bureaus through which a farmowners would be filed, and some are not. Several organizations are involved. Though it was decided to file the program nationally, farm conditions, schedules and rules differ markedly by region.

However, the policy, forms, and rules

Automobile Woes, Compulsory Weakness Are Analyzed By Gallagher, Williams

COLUMBUS—The automobile bodily injury liability business, which amounts to \$2 million every working day, is a mixture of stress, strain, fear, insecurity, honesty, dishonesty, exaggeration, pride, and avarice. This was the description by Edward P. Gallagher, executive vice-president and general counsel of American States, in his talk at the convention here of Ohio Assn. of Insurance Agents.

Describes Industry Program

The 45 state legislative sessions next year will be a real challenge to the business because of the push for compulsory auto insurance bills, Wyntant J. Williams Jr., secretary of the compensation and liability department of Travelers, told the same session in his discussion of compulsory. He detailed the weaknesses of compulsory and described the industry program for meeting the problem of the innocent victim of the uninsured motorist.

Mr. Gallagher described the activities (and costs to the public through insurance premiums) of the small per-

centage of lawyers, doctors, hospitals, police, and others, who profit fraudulently out of automobile accidents. He emphasized the "dual morality" of the public, which, honest in other respects, regards the insurers as fair game for anything. In Boston, he said, a trolley and automobile were involved in a collision. Maximum capacity of the trolley was 68, of the automobile six, but 240 persons filed claims.

Mr. Gallagher lays much of the blame for exaggerated and fraudulent claims at the door of the contingent fee. One of its complexities, he observed, is that because such fees may put the plaintiff's attorney in a higher tax bracket, many cases simply are not settled until after Dec. 31 each year.

Never Conveyed Offer

Recently the case of a young child with his leg severed was tried and lost. Investigation revealed that a proposed offer of settlement was never conveyed to the child's father—the plaintiff lawyer had tried the claim as his own and

(CONTINUED ON PAGE 21)

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work in the association's insurance institute schools. The presentation was by Mr. Hemphill, last year's winner. Fred H. Johnson of Columbus, past president and NAIA executive committeeman, was the recipient of a special award for outstanding service to the association. Mr. Harger was presented a suitable gift.

Awards also were made to four retiring trustees, Harry Pettit of Marietta, J. Glenn Hill of Bellefontaine, Robert L. Coleman of New Philadelphia, and Jack D. Darrah of Akron.

Company Men Recognized

Awards for outstanding contributions to the educational program were awarded to 68 men, most of them identified with insurers. For the most service, awards went to R. T. Fielder of Yorkshire, Cleveland; H. D. Hannahs of Royal-Globe, Columbus; J. L. Hughes of Maryland Casualty, Co-



R. M. Bell



P. R. Whitbeck

lumbus; G. F. Renkert of Aetna Casualty, Columbus, and W. L. White Jr. of Standard Accident, Cincinnati.

Senior faculty members recognized were R. W. Douglass of Agricultural, Columbus; J. B. Greenwood of New York Underwriters, Cleveland; B. A. Jackson of Great American, Akron; R. W. Kapp of Phoenix-Connecticut, Columbus; K. L. Krug Jr. of St. Paul, Columbus; M. B. Lash of U.S.F.&G., Cleveland; D. U. Mennie of Home Indemnity, Columbus; T. W. Selsor of Fidelity & Casualty, Cleveland, and William L. Venable of U.S.F.&G., Columbus.

Among others recognized with plaques was Robert C. Dauer of the Fire, Casualty & Surety Bulletins of the National Underwriter Co.

Mr. Cubbage, introduced by Mr. Johnson, said he was no gloomer and doomer. Not only is the agency system the best one ever devised but its practitioners are in the best shape they

More Competition, Merchandising Urged By Smith For Policyholder

COLUMBUS—North America favors as serving best the interests of all a rate regulatory law that does not require that rates be filed with and approved by the commissioner prior to their use, Bradford Smith Jr., executive vice-president of that group, told the convention here of Ohio Assn. of Insurance Agents.

The company favors a law that does not require strict adherence to the rates and forms made



Bradford Smith Jr.

have ever been. He said the system has been threatened before and came out of its troubles stronger than ever. This is the greatest sales force anywhere, he declared, and its members have the most effective claim settlement procedures.

Of course there are problems, Mr. Cubbage added. But agents are solving them. Companies are meeting and solving their problems with experiments and testing. If the agents use everything available to them today, if they get out and prospect and then prospect some more, they will have nothing to worry about.

Illustrates Accomplishments

To illustrate some of the accomplishments of the association in the legislative field, Mr. O'Connell recalled that until 1935 in Ohio anyone who could sign his name—or make his mark—could get an agent's license by paying \$2 to the state. He was then in the insurance business.

He personally recommended that agents support a bill to be introduced in the next session of the legislature by Sen. Carney to establish an unsatisfied judgment fund for innocent victims of uninsured motorists. He pointed out that if compulsory auto coverage were put to a popular vote tomorrow, it would pass. On the basis of the New Jersey experience, Mr. O'Connell believes the UJF would be effective.

by rating bureaus; that does not give status to competitors to attack any individual insurer's rates or policy forms through administrative proceedings, court appeals or otherwise; and that relies upon reasonably regulated competition as the chief arbiter of rates in the public interest.

Mr. Smith noted that California has had a law of this type for more than 10 years and that it is working well. The proposal of a similar law in District of Columbia does require the insurer to file its rates with supporting data. Though believing the filing requirement "is a serious mistake, we are nevertheless of the opinion that the merits of this type of bill outweigh the defect," he said. He urged enthusiastic

The proposal resembles the New Jersey set-up.

Under the proposed bill, UJF would become effective in Ohio April 1, 1962. There is a \$100 deductible and 10/20/5 limits. Insured pays \$1, uninsured \$8, and auto insurers one-half of 1%. A board would administer the fund, composed of the superintendent, registrar of motor vehicles, and four full time salaried insurance company employees representing stock and mutual bureau companies and stock and mutual independents. Mr. O'Connell noted that the percentage of motorists insured in New Jersey had increased from 60 to 94% during the time UJF has been in effect there.

At the business meeting, Mr. Hemphill, chairman of the education committee, announced a new program for local boards. This will run three-fourths of an hour to three hours, depending on the local situation, will start Jan. 1, and will cover a dozen subjects, including CPL and farmers CPL, business interruption and extra expense, homeowners, economy auto plans, supplemental farm forms, reporting form A, and institutional property policies.

Mr. Hemphill also announced that Ohio will run the second NAIA educational seminar as it did the first. It will be held in Columbus next June.

The association's schools had a student body in 1959 of more than 1,300

support for it by companies and agents alike "who are planning for a successful future."

Mr. Smith said that it is time for the business to decide issues of this and other kinds in the "policyholder interest." That is the key to success in the future. Before SEUA, agency companies dominated the scene and competed vigorously for business at the agency level. That was a fatal error because in doing so they overlooked their policyholders. It was an open invitation for non-agency companies to move in and compete at the policyholder level.

This resulted in the loss of the mass automobile market to direct writers who concentrated their efforts at the policyholder level, Mr. Smith said, while agency stock companies concentrated their efforts at trying to maintain the status quo ante and competition at the agency level.

Now Write 30% Of Total

In 15 years the direct writers, a mere handful of companies, have doubled their share of the rapidly expanding auto insurance market and now write nearly 30% of the total, he declared.

Emphasizing that the interests of agency companies and their agents are identical, Mr. Smith urged that the all-industry rate regulation is not in the best interest of policyholders, insurers, or agents. The public does not get the benefit of reasonably regulated competition while an unwelcome burden simultaneously is put on companies and their agents in expressing their

(CONTINUED ON PAGE 23)

agents and office personnel and has had one of more than 7,000 since they started, he said.

Agents enjoyed—and apparently profited by—the telephone solicitation demonstration of Jack Schwartz of Los Angeles.

A breakfast session for young agents was well attended. With H. Thorp Minister Jr. of Columbus presiding, Richard J. Layton, vice-president of Rough Notes, led a discussion on direct billing and whether it lowers costs by reducing paper work.

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An Ohio Company Doing Business In Ohio

Contingent Contracts And Agency Valuation Eyed By Hanson, Vorys

COLUMBUS—The agency contract in modern times was thoroughly dissected at the convention here of Ohio Assn. of Insurance Agents by George S. Hanson, general counsel of NAIA, and by Arthur I. Vorys, Columbus attorney and former superintendent of insurance. Mr. Hanson dealt with the basic agreement and contingent arrangements. Mr. Vorys described the several forms of agency organization and the valuation of an agency for buying and selling purposes.

The agency agreement has worked very well, Mr. Hanson said. The relation of company and agent under it has hybrid characteristics which makes it peculiar. The independent local agent represents several companies, he solicits for the agency and not the company—an important point—he places business with companies as he decides, and he acquires expirations at his own expense.

Courts generally have favored the agent as against the company under the agency agreement, Mr. Hanson pointed out. Some decisions have gone this way because of custom and usage in the business. However, the contractual agreement worked out with company associations in 1937 has been construed favorably, he said.

Undue Preference

He warned agents that they should not agree with any company to give it undue preference as to business. For in one case the company claimed the right to solicit business on expiration and its position was upheld. Thus

one of the cardinal principles of the agreement is that the agent solicits business for the agency and not the company.

As to bureau filings based on lower acquisition cost allowances, Mr. Hanson said, the agent doesn't have a contract with a bureau, and there is no compulsion on a company, member of a bureau making such a filing, to use the acquisition cost allowance figure in its individual agency contracts.

Since some commissions have been reduced, it becomes imperative, he said, for each agent to determine the cost of running his business. The fact that this has occurred makes contingent commission contracts more important. These contracts will reflect the results the companies have on his business, the volume he gives them, and the like.

Contingency arrangements ordinarily are not included in the basic contract, he said. A company may use one type of contract for fire business and one for casualty, but the trend is toward one for both. Today the sliding scale is popular, running from 10 to 25% depending on loss ratio and volume. The time span may differ, though one or two years of carryover are customary. Agents can protect their contingent with "contingent insurance."

More Mergers Today

Mr. Vorys noted that there are more mergers and agency purchases today. The old, individual proprietorship is becoming passe. Agents are lining up with others as partners or corporately

to get more talent, broaden the base of premium income, and increase the variety of lines sold.

Buy-sell agreements can mean money to the agent, he said. The big problem is valuation. In intra-agency deals, the three year average commission method is often used, though there are advantages to the inventory valuation. Under the average commission method, the three year figure is multiplied by one or 1.5 (some go as high as two and 2.5). The book value of furniture and fixtures is added, and the evaluation is completed.

He noted that the agent ordinarily doesn't pay anything for good will. He is buying expirations, which are nothing more than information as to when the policies expire and the right to solicit and, in all likelihood, pick up the business. It is in a sense good will, but it isn't called that.

A second method is coming into vogue, Mr. Vorys said. This is the current inventory method and is used in mergers and buy-outs. Each daily in the files is checked and each is valued. The book value of furniture and fixtures then is added. The buyer is also interested in the seller's personnel.

Some of the criteria used under this method to arrive at a fair value are: (1) Opportunity to sell added lines; (2) credit experience with insured; (3) is the business written at a low commission in a company writing at deviated rates? Mr. Vorys said that he told one agent in Columbus 80% of whose business was in automobile that the agency was dead. It can't survive unless the agent works 24 hours a day. Under some current automobile filings, his business next year will be depressed 40%.

Other criteria are: (4) Is the busi-

(CONTINUED ON PAGE 22)

Much Hospitality At Ohio Agents' Annual

Company representatives were much in evidence at the annual meeting in Columbus of Ohio Assn. of Insurance Agents.

In addition to the many customary hospitality suites, which did a big business, Republic-Franklin of Columbus entertained their agents at a breakfast. One of the visitors was Mrs. Ohio of 1960, the wife of Richard Willis, the company's agent at Washington Court House.

More than 175 took advantage of Republic-Franklin's hospitality. On hand for the company were Kenneth Morris, chairman; William C. Cook, president; T. K. Mathers, vice-president in charge of agencies; William W. Matchneer Jr., secretary, and the field staff.

Fidelity & Deposit served coffee and rolls, a feature that has become very popular in the several years it has been done.

Continental Assurance provided gold car keys on the premises. The Canton association had a display of its public relations efforts.

Atlantic Mutual-Centennial maintained headquarters and had a lobby display which promoted its "business safeguard program." One of the features of the display was an ancient adding machine, which appeared to be 50 years old or older, which G. H. Wyckoff, casualty special agent of the group at Columbus, had combed the town to dig up. Next year he is going to have it in working order so that agents can compute their convention expenses on it.

Among companies with hospitality suites were Aetna Casualty, Aetna

(CONTINUED ON PAGE 23)

The Buckeye Union Group

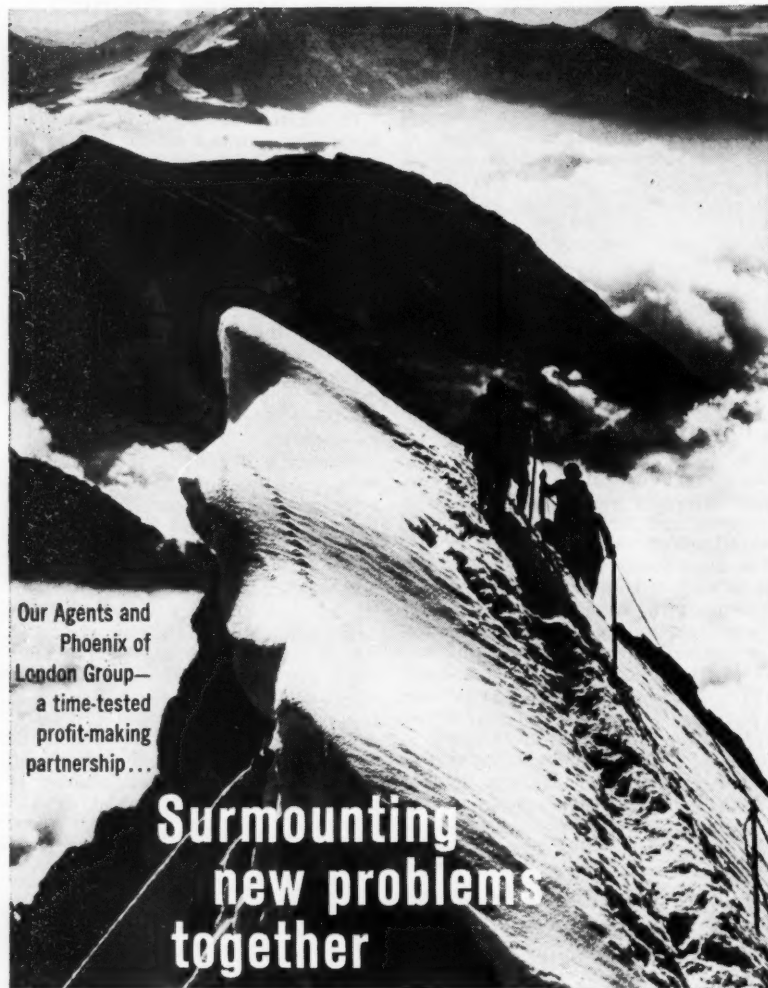
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N.Y. Brokers Visit Firemen's Mutual, Mass. Laboratories

Firemen's Mutual was host to 35 New York brokers at the home office in Providence. The producers attended a reception and dinner in the lounge of the company's building and were welcomed by Harlan T. Moses, president of Firemen's Mutual, which is one of the Associated Factory Mutuals. Ambrose B. Kelly, general counsel of the Factory Mutuals, spoke.

The brokers on the preceding day attended a one-day session at the Factory Mutual engineering division headquarters in Norwood, Mass. With J. M. Rhodes, director of engineering and laboratories, presiding, G. F. Wahl, general manager, and 10 specialists in engineering, inspection, research, and adjustments discussed a number of topics—including loss prevention, atomic energy, construction, storage, flammable liquids, and adjustment and salvage.

The session closed with a discussion of individual problems.

This was the first "collective" visit of New York producers to the Firemen's home office.

Insurer Interests Oppose Auto Finance Restrictions

The board of commissioners of the District of Columbia has taken under consideration objections raised by insurance representatives at a recent hearing on a proposed regulation to impose requirements in connection with the financing of auto purchases. The regulation is scheduled for adoption Nov. 1.

Howard Starling, Washington representative of Assn. of Casualty & Surety Companies, objected to mandatory provisions of the regulation requiring dealers to have a surety bond of \$5,000. He suggested a choice between a bond and any other security.

Credit life and A&S representatives objected to restrictions upon or prohibition of inclusion of such coverage under finance charges. The commissioners heard arguments that credit A&S is of value to many car buyers, and that a ban on putting the coverage into a car finance contract would kill that type of business.

However, Milton D. Korman, first assistant D.C. corporation counsel, said that buyers could purchase credit A&S on their own. He maintained that the regulation would permit credit life, but not credit A&S. The latter would be prohibited to protect the unwary from being "loaded up with every type of insurance conceivable at the highest rates obtainable."

Paul Van Horn President Of American Life

Paul E. Van Horn has been advanced from executive vice-president to president of American Life of New York. He succeeds William E. McKell who becomes chairman. Mr. McKell is chairman and president of the parent American Surety.

Mr. Van Horn joined the company as a vice-president in 1956 and became executive vice-president in 1959.

Scibal Appoints McCann

Scibal Adjustment Bureau has named James A. McCann manager at Bridgeport, N. J. His experience includes service with General Adjustment Bureau as well as considerable background in adjustment of auto PHD and marine losses.

Are you selling policies or protection?

There's a difference.

A successful agent or broker will seek to know as much as he can about his customer's business, his insurance problems, and the risks to which he is subjected. Only by so doing can the agent recommend a sound insurance program.

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Analyze Auto Woes, Compulsory Problem

(CONTINUED FROM PAGE 17)

elected to gamble without consulting his client.

At present, almost \$580 million is being paid annually to plaintiff lawyers in contingent fees for damage claims, Mr. Gallagher said. The New York court of appeals has found that 60% of 150,000 contingent fee contracts for damage cases investigated in New York City provided for 50% fees.

N.C. "Changes"

He observed that North Carolina has experienced a complete change of insurance results since compulsory became law. It also has experienced a complete change of ethical and moral attitudes toward automobile insurance. Assigned risks have increased from 30,000 in 1958 to 171,000 in 1959. They are costing insurers \$1.55 for each \$1 taken in. When insurance was made compulsory, it immediately became a political football and the insurance commissioner has refused the companies the opportunity of a fair rate.

The fight, he said, is to get the business to show the public the extent of dishonesty in liability insurance claims, to get juries to decide damage suits on reason and law and not on emotion and sympathy, to get bar associations and courts to regulate unethical practices of attorneys in damage suits, to get medical associations to regulate unethical practices of doctors in such suits, to streamline claims and jury trials to reduce excessive trial costs, and to upgrade insurer claims personnel and practices so that they can't be criticized for the manner in which the business settles its claims.

Mr. Williams pointed out that compulsory is only a fractional answer to the problem of the uninsured motorist. Also, it does not promote safety. Accidents per 10,000 motor vehicles were 548 in Massachusetts in 1959, 556 in New York, 194 in Connecticut, 199 in Ohio, and 152 in North Carolina. In 1957 the rate was 122 in North Carolina.

Compulsory has made auto insurance more expensive for the public, it has made it more expensive for the insurers, for the agents, and for the state. It has led to consistently inadequate rate levels. To illustrate, he said, in Massachusetts the companies recommended an increase of 11.3% in 1956 and the commissioner gave them 5.3%, in 1957 the figures were 22 and 19.6 but the companies had to go to court to get the 19.6, in 1958 the figures were 25.5 and 9.1, and in 1959 they were 12 and 3.2.

This rate inadequacy leads to other problems, Mr. Williams said. It discourages insurance expansion. Many

companies won't go into such a state. It leads to restrictive underwriting, and it poses the problems of reduced commissions, assigned risks, and more work to agents. The public tends to buy only minimum limits.

In North Carolina at last June 30, there were 189,289 assigned risks and they were paying \$9.5 million a year in premiums. On the 1958 policy year their experience was 135.5% for BI and 86.6% for PDL.

Experimentation with coverage and rating plans is discouraged.

He noted that in Ohio because of the state's monopoly in the workmen's compensation field, auto business is especially important to agents and their livelihood.

Farmowners Package Program Discussed At Ohio Meeting

(CONTINUED FROM PAGE 17)

now are about ready, along with the proposed rating program.

There will be one policy, not two, he said. It will have four sections, one for farm buildings and contents, with additional living expense; the CPL with medical payments and property damage liability; farm personal property, and additional dwellings, barns, and outbuildings. Some endorsements will be necessary—it is impossible to put in everything. Much has been learned from the farm survey and rating plan, which had fewer bugs in it than almost any other new form in history. The new farmowners has several credits in it. Agents think the form is a good one.

It is hoped to have the new package filed before Jan. 1.

Acceptance Is Good

Wayne Newcomer of Ohio Farmers reported that acceptance of that group's new farmowners policy is improving every day. The work required to sell it is little or no more than the homeowners. Many suburban agents near big cities have produced a lot of them. The company now has it in effect in Ohio, Indiana and Iowa.

Robert E. Gorman of Paulding said the committee is considering conducting a series of schools on the new farmowners for agents and key personnel.

Many complaints have been received that homeowners is being written on farm properties. Frank R. Middaugh, assistant manager Ohio Inspection Bureau, discussed the "occupancy clause" and pointed out it is designed to separate town from farm. It is designed to

act as a red flag to insured—to make him wonder if he has the coverage he thought he bought. The clause is more lenient in Ohio than in other states, he said.

Mr. Ogilvie said that the minimum building amount under farmowners will be \$8,000 and the minimum for blanket personal property \$10,000.

Matthei To Atlantic Mutual

Atlantic Mutual has named Donald V. Matthei casualty special agent at Cincinnati. He will be associated with Morris J. Coles, branch manager.

Phoenix Of Hartford Fills Marketing Post

Albert S. Ekwall has joined Phoenix of Hartford as superintendent of the marketing department. For 24 years he was with Fuller Brush Co. in its advertising and sales departments. More recently he was New England sales representative of Rapid Electro-type Co. of Philadelphia.

National Automobile & Casualty has begun writing participating fire and homeowners business in Washington.



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Kelly Analyzes Reasons Why Not Enough U&O Is Purchased

Sometimes the failure to buy business interruption coverage is due to lack of capacity in the market, Ambrose B. Kelly, general counsel Factory Mutuals, declared in a talk at the Delaware Valley chapter of American Society of Insurance Management meeting at Philadelphia.

For example, one major motor car manufacturer would like to purchase this coverage but there is not sufficient one-risk capacity to provide this protection in addition to property coverage on its tremendous plants.

Sometimes a manufacturer feels he has duplicate facilities which would enable him to meet the needs of his customers during a period of repair or rebuilding and he therefore considers U&O unnecessary, Mr. Kelly observed. Perhaps a contributing factor to the disinterest on the part of the public is the profusion of forms provided by the insurance business and the inability of many agents to explain in understandable terms how this coverage is purchased and how it will operate in event of loss.

Whatever the reason, he said, the fact remains that not enough concerns take advantage of this type of insurance, and a review of business failures as a result of fire damage shows that in most cases they had not purchased business interruption.

Overman Addresses Future CPCUs

Edwin S. Overman, assistant dean American Institute, addressed aspirants for the CPCU designation at the October meeting of Cincinnati chapter of CPCU. Mr. Overman warned that many students had failed the examinations as the result of poor apportionment of time in dealing with questions of equal weight.

Vorys, Hanson Eye Contingent Contracts, Agency Valuation

(CONTINUED FROM PAGE 19)

ness well underwritten, is it hard to place business, or business especially subject to cancellation or competition; (5) is it business developed directly by the agent or did he get it on referral; (6) can the buyer transfer the accounts after he purchases them; (7) is there a respectable volume of business; (8) what is the average commission and is it high on the kind of business with which the buyer is familiar; (9) how is the policy being paid for?

Also: (10) What is the age of insured—are most of the customers on the books headed for retirement and fewer insurance needs; (11) is it commercial business or personal; (12) has the selling agent properly serviced the business in the past or are some of the accounts ready to leave him, and (13) what is the nationality and social status of the customers?

Other Measurements

Mr. Vorys also suggested that agents buying an agency check the jumbo accounts, how much new business the selling agent has been putting on, the number of accounts he has, and the reason for selling—is it because he is failing, wants to do something else, or retire? The efficiency of the personnel and the systems in the office also are of value. Will the personnel stay on? What is the relation of the agency with its companies? What is its credit rating?

The current inventory method will produce a fairer purchase price, Mr. Vorys said. Expirations are only as good as the agent is able to renew them.

Today, he said, it is almost impossible for the lone wolf agent to keep up with changes, let alone engage in real agency building or other constructive developments. Hence, the trend toward mergers and purchases.

Mr. Vorys favors the corporate over the partnership form of organization because of the tax advantages. In discussing the form of organization, he emphasized the importance of selecting a partner with whom the agent can get along, getting a name that is good and then protecting it by registration, distribution of work load, and the like. He observed that partners do not have to be equal; that is, in a young-old combination, the older agent might get a larger share of income and profit while the younger man's share would increase over the years.

It is important, he said, to set up a means of settling disputes within the agency between partners. Ordinarily partners do not have disputes, but if one dies, someone else comes in. Then it is important to have a written outline for dispute settlement.

There is difficulty in getting life insurance commissions to the partners so that the income can be used to help pay the agency's way. A life agent can't be incorporated. However, each agent can become a life agent.

Among other advantages of the corporate establishment Mr. Vorys noted lower taxes than for individuals, the ability to build surplus and become subject to capital gains instead of income tax, and pension programs paid by the firm.

Phoenix of Hartford honored the Robert S. Brown agency, Amherst, Mass., at a dinner marking 50 years of representation of the company. Wallace G. Bailey, state agent, presented a desk clock to the agency.

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New England's earliest settlers learned from the Indians how to tap the Sugar Maple. Their technique for converting the clear sap into golden Maple Syrup remains a ritual of Spring throughout America's hardwood Maple forests. In its dealings with Independent Insurance Agents, Peerless Insurance Company, too, carefully preserves a tradition of service and dependability, providing a portfolio of modern multiple-line coverages in the Bond, Fire, Accident & Health and Casualty fields.

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Urges More Competition, Merchandising

(CONTINUED FROM PAGE 18)

creative abilities. Regulatory authorities dominate rather than regulate rates. Rate adjustments are arbitrated by politics.

Criticizes Hearings

He criticized hearings particularly. Commissioner Smith of Pennsylvania, he said, recently pointed out the absurdity of holding hearings on 20,000 filings a year. That would be 80 filings every working day. Hearings also lead to distorted and sensational newspaper stories that cast the business in an unfair and bad light, Mr. Smith commented.

After assuming a dominant position in the automobile market, Mr. Smith said, the direct writers are tackling other lines. Unless agents and their companies get together, form a realistic plan of attack, and execute it, they are going to get elbowed out of other fields.

The thing to do is what will please the policyholder. The right coverage must be priced competitively. No agent can afford the time to sit down with every policyholder often enough to keep him constantly informed as to all the details of his personal insurance needs. The agent couldn't get the average customer to give him that much time.

Inclusive As Possible

So the basic coverage to offer must be as inclusive as possible against the possibilities of major loss. Coverage should not be all-risk since the small careless type of loss, which that form of insurance invites, runs the cost up too high for the average person. All-risk insurance is a luxury.

The basic coverage should be designed to keep the uncovered areas at a minimum so that insured can understand and remember them.

But the right price for the right coverage is not the whole answer, he said. There must also be a merchandising and service program, the cost of which will fit the price structure.

Stock companies, in cooperation with their agents, have made little progress toward an economical business system that is mutually agreeable and that will permit competitive pricing of the product they have to sell, Mr. Smith declared. To make matters worse, increasingly large agents are complaining that they are handling personal business at a loss. Some say they would get rid of it if they could.

This is an unhealthy situation and cannot be allowed to continue, he

averred. It boils down to a question of what independent companies and agents individually are going to do about it. As for North America, it is going to redouble efforts to find the answer. It has turned its thinking to an even more direct and intensive study of agency-company operation and cooperation. It is seeking a proved solution, one that is practical and recognizes the agent's legitimate (and

Chicago Jury Awards Average \$100,000 A Week

Cook County Jury Verdict Reporter's summary of personal injury cases in Chicago last week shows juries continuing a strong pace, averaging nearly \$100,000 a week in awards. Even so, defendants continue to hold an edge in statistics with a total of 43 acquittals out of 82 decisions including last week's total of seven cases for defendants to five for plaintiff.

Total amount awarded last week was \$131,921, making the total since Sept. 1 \$686,006. The biggest verdict was \$114,000 in a traffic accident, with the City of Chicago taking the biggest share of the burden for the reason that the traffic lights at the intersection where the accident occurred were not working.

Much Hospitality At Ohio Agents' Annual

(CONTINUED FROM PAGE 19)

Fire, American Casualty, American, American States, Buckeye Union, Central Ohio Agency, Chubb & Son, Cincinnati, Corroon & Reynolds, Crum & Forster, Economy Fire & Casualty.

Also, Employers Liability, Excelsior, General Accident, Great American, Hartford Fire, Home, North America, Inter-State General Agency, London Assurance, Maryland Casualty, Midwestern Indemnity, National Union, Northern of New York, Ohio Casualty, Ohio Farmers, Ohio Security, Pearl, Phoenix of London.

Also, Royal-Globe, St. Paul (which had a lobby exhibit), Sayre & Toso, Selective, Springfield, Standard Accident, Tower, Travelers, Trinity Universal, U.S.F.&G., U. S. Aviation Underwriters, Universal Underwriters, Western Casualty and Zurich.

Dorcak Is O. State Agent

Royal Exchange group has appointed Emil J. Dorcak state agent in charge of the Cincinnati field office, servicing western and southwestern Ohio.

moral and ethical) interest, as well as its importance to his livelihood.

It seems perfectly evident that competitive pricing of personal lines involves the use of direct billing and continuous policies, he declared. These two principles of operation, it has been demonstrated, are essential to the elimination of costly duplication of work and unproductive effort in the agency function. It is essential to make possible the sale and handling of a greater volume of business per individual which, in turn, will make it possible to maintain and even increase agency earnings.

Reasoning Behind New Plan

This is why North America is, he said, going to offer a direct billing-continuous policy plan shortly, "as an optional facility." He emphasized that North America's agency contracts place ownership and control of expira-

tions with the agent, undisputedly. His company has no intention of changing that policy "even though continuous policies and direct billing do raise new problems not specifically covered by the statement."

Eager To Cooperate

Moreover, he said, his group is eager to cooperate with its agents "in drawing a mutually acceptable amendment to this statement which will protect our agents' legitimate interest."

Any sound company, he said, recognizes the fact that it must make it possible for its sales force to earn a good living in return for industrious productive effort. To do so the company must offer a salable product and compensate the sales force reasonably for distributing it.

Change offers opportunity, he said. He urged agents to meet it head on and capitalize on it.

PRIMARY COVERAGES IN ILLINOIS

WORKMEN'S COMPENSATION	GARAGE & DEALERS LIAB.
AUTOMOBILES & TRUCKS	LIQUOR LIABILITY
OLT—MFRS. & CONTRACTORS	MALPRACTICE LIABILITY
COMPREHENSIVE GEN'L. LIAB.	BEAUTY SHOP LIABILITY
COMPREHENSIVE PERSONAL LIAB.	BURGLARY
PRODUCTS LIABILITY	PLATE GLASS-50/50
★ Special Retros on Large W.C.-Liab.-Fleets, Etc.	

EXCESS LIABILITY

All 3rd Party Liability Including Excess
Above Assigned Risk Auto Limits to
100,000/300,000/100,000.

SURPLUS LINES

OUTSIDE ILLINOIS—Through Licensed
Surplus Lines Agents in Those States
And Territories Which Permit Non-
Admitted Carriers To Write Liability
Coverages.

THE CASUALTY COMPANY WITH EXTENSIVE FACILITIES . . .

FLEXIBLE UNDERWRITING . . . REALISTIC RATING . . .

INDEPENDENT!

SINGLE RISK REINSURANCE TO \$2,000,000!!!!

FIDELITY GENERAL



INSURANCE COMPANY

A STOCK COMPANY

RAndolph 6-4060

222 West Adams Street
Chicago 6, Illinois

REINSURANCE

Through Intermediaries Only

FIRE—CASUALTY

THE STUYVESANT INSURANCE COMPANY

Reinsurance Department
1105 Hamilton St., Allentown, Pa.
HEmlock 5-3541

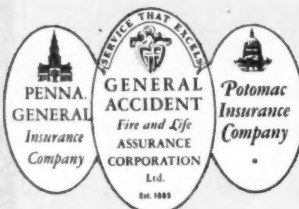
Service Office
141 West Jackson Blvd., Chicago 4
HARRISON 7-8432



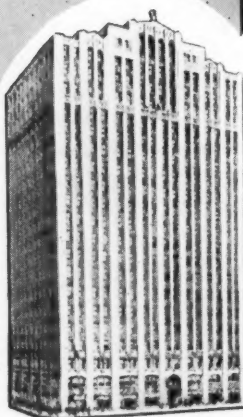
Successful agents
make their efforts
count. The companies
they choose are ones
that prove their value

every step of the way.

No wonder so many successful agents consider
GENERAL ACCIDENT their major company . . .
for depth of service, broad facilities, experience.



GENERAL ACCIDENT GROUP
OF INSURANCE COMPANIES
GENERAL BLDGS. • PHILADELPHIA, PA.



THE HEART
of Chicago's
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This fine building offers
the solution for your office
problems. You may select
space units from 1000 sq. ft.
to 12,500 sq. ft. (an entire
floor). Completely air-
conditioned. Our expert
planning service is available
to you, without charge.

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John T. Hilborn
Jackson-Franklin Building
309 W. Jackson Blvd.
Chicago 6, Ill. WEbster 9-3031

JACKSON-FRANKLIN

Examples Of Agency Advertising Success

(CONTINUED FROM PAGE 6)

over the country and which have increased the effectiveness of their "total advertising."

An agent in New York sent out a direct mail letter to each of his fire customers asking if he would sell his home today for the amount for which it was insured. He cited specific dollar figures in each case. Two out of three of his customers increased their home coverage. Home appraisals make a good advertising theme, he noted.

A Texas agent who is a heavy advertiser now spends all his advertising money on premium budgeting. In two years this has produced for him more than 4,500 new customers.

An agent in New Jersey, who does a good deal less advertising than the Texas agent, used direct mail to stress the importance of increasing BI limits. In three summer months, with a minimum of effort, he increased the limits on 36 policies.

A Pennsylvania agent used an attractive folder to advertise the prompt payment of a \$96,000 loss to one of his customers. On the left appeared a reprint of a newspaper story about the loss, on the right a letter announcing prompt payment of the claim.

An agent in Florida advertised that a men's store was operating temporarily out of the agency because the store had burned out, and anyone wishing to file a claim with the store, pay accounts, or obtain information about the store could do so at the agency. Indicating unusual ways in which the agent serves the customer makes good advertising.

After testing several media, a Rhode Island agent settled on a combination of radio and direct mail to promote a merit rating plan. The company paid for part of the cost. In the first five months of this year the agent sold 500 new policies as a direct result of this advertising. The average premium was \$93. The agent had to make only two personal calls. He reported that 67% of the new customers previously were insured in Allstate.

A New Hampshire agent installed an automatic phone device to report weather forecasts. A special community service is a good advertisement.

A Kentucky agent has been advertising on the same local radio news program for five years. He has commercials on fire insurance for use when there is a local fire; windstorm coverage is plugged after a big wind; etc. This is cashing in on local news events that have a strong insurance interest.

In marking the agency's 25th anniversary, an Illinois agent ran a large advertisement offering anyone who read the ad coffee and a roll at his expense at any lunch counter in town. Mr. Schaffer advised not using this idea in Chicago, New York, or Los Angeles.

One letter, worked out by a Pennsylvania agent, shows a photograph of the

prospect's house. After pointing out what a beautiful home it is, the letter promotes the homeowners.

Agent advertising must be creative, Mr. Schaffer advised. It must be based on facts but be highly individual in character. Above all, for impact, it should capitalize on the Big I, he declared.



**COATS &
BURCHARD
COMPANY**
appraisers

- Appraisals for correct insurance coverage and proof of loss
- Depreciation studies
- Property ledgers

4413 RAVENSWOOD AVENUE • CHICAGO 40, ILLINOIS
SERVICE—COAST TO COAST

**DIRECTORY OF RESPONSIBLE
INDEPENDENT
ADJUSTERS**

BREWER ADJUSTMENT COMPANY

Long Haul, Bus, Taxicab and Automobile
Liability and Physical Damage—
General Liability—Compensation—Fire
RED ROCK BLDG., ATLANTA, GA., JA 3-2793
BUSH BLDG., COLUMBUS, GA., FA 7-7098

RUSSELL K. OSBY, INC.

World's Largest Specialized Claim Service
Coast to Coast
Specializing in the Negro Claimant
All Lines—Adjusting—Investigating
Companies Only
4254 So. Indiana, Chicago WAgner 4-6100

RAYMOND N. POSTON, Inc.

159 S. W. 8th St. Miami, Fla.
BRANCHES
FT. LAUDERDALE
LAKE WORTH
KEY WEST

RIEDER-GILLESPIE COMPANY

INSURANCE ADJUSTERS - ALL LINES
MIAMI 9620 N.E. 2nd Ave., PL 9-6618
FORT LAUDERDALE 1525 So. Andrews Ave. JA 4-4391
WEST PALM BEACH 125 Lakeview Ave., TE 3-3646

SCOTT WETZEL CO. UTAH-IDAHO INSURANCE ADJUSTERS

Home office—428 So. Main, Salt Lake City, Utah.
Day or night offices: Ogden, Utah; Provo, Utah; Idaho Falls, Idaho; Pocatello, Idaho; Twin Falls, Idaho.

Jones Is 'First' State Agent Of American F.&C.

American Fire & Casualty has appointed its first state agent, Allan C. Jones Jr., who will supervise Florida. The company has three special agents in the state, where it writes more than half of its premium volume. Mr. Jones has been special agent since 1955, working out of the home office.

Ira T. Youngblood Jr., who has been at the home office since 1956, has been appointed special agent for the lower east coast of Florida, Mr. Jones' territory.

Inter-Regional Has \$600,000 Savings In '60

(CONTINUED FROM PAGE 1)

group has not sought an industry advisory committee. Presumably it will make some sort of report at the annual meeting in New York in December of National Assn. of Insurance Commissioners.

Pressures Outlined

Mr. Boyle stressed the importance of members' responsibilities and said that they must be implemented in order to obtain maximum benefit of association in the conference.

The principal advocates of independence of action have been articulate and effective, Mr. Boyle declared. They have been good and strong competitors. Some got there first in the multiple peril dwelling field, virtually obtaining a threshold on the dwelling business. They do not intend to relinquish any possible advantage.

Organization or collective action under such a concerted attack is under tremendous pressure, he said. Collective action, intended for the good of all in the development of coverage, rule, or for that matter any program, is slower than individual action and possibly may not be as accurate in its target shooting, Mr. Boyle noted.

Inter-Regional recognizes that its members are going to be under what they consider to be pressure to make either a deviation or an independent filing, particularly where they are not satisfied with a filing in effect or where they wish to explore methods or procedures which differ in degree from those being considered by the industry as a whole.

There is no adherence rule in Inter-Regional's constitution, nor could it legally or practically have one, Mr. Boyle continued. However, the conference needs the views and support of all members in attempting to develop programs which will merit general approval and which will help keep the property business on an even keel during the present adjustment. Mr. Boyle believes that the support of the Inter-Regional organization, its constituted mechanisms, and selected officers represents the road of greatest promise in sound insurance progress.

Conference Method Urged

Inter-Regional wrote its member companies urging that before proceeding on a new or different course of action, the staff and committees be given an opportunity to consider such proposals and to reach a conclusion as to whether or not they would constitute desirable programs for recommendation and filing on behalf of all companies.

Mr. Boyle strongly urged the members to consider the benefits to be obtained from such an approach and to give complete support in this direction. In emphasizing the implementation of this recommendation, he said it was fully understood that it in no way conflicts with any individual company's rights to make whatever filings it may finally desire. But, through Inter-Regional's staff and committees, a wealth of talent and experience is offered.

Taking note of criticism of the 1959 homeowners program, Mr. Boyle said that the staff of Inter-Regional has

done a good job in correcting erroneous impressions. Much of the initial adverse reaction in certain agency quarters has been replaced with a better appreciation of the inherent values of the revised program.

However, to avoid misunderstanding in the future, a more effective job of internal relations can be done with agents, brokers and their conference organizations, Mr. Boyle said.

"We should be prepared to meet with our agents frequently," he said. "They constitute our sales organization, and notwithstanding their independent status we owe it to ourselves to obtain the full benefit of their thinking at the local sales level. Additionally, we can make their jobs easier if we but make it a practice to consult and confer with them in respect to new programs about to be undertaken."

In his report as general manager, Kent H. Parker noted that the public and institutional property plan is now effective in 27 states. It is attracting attention on important accounts. In conjunction with a self inspection program by insured and an annual inspection by bureaus, it is hoped that the plan will also produce an underwriting experience within the range of the loss ratio contemplated. A separate statistical coding will permit review of such experience in future.

Mr. Parker said that a major revision of the commercial property plan, including not only forms and rules but the rating plan as well, has been concluded and has been recommended to fire, casualty and inland marine rating organizations as an interline filing. Fire rating bodies will handle all details of the filing. It is hoped that the revised plan will be effective in most states by Nov. 15.

Other projects well underway are the motel program, including a special multi-peril policy for use with this and similar coverages that will be developed in the future for non-mercantile or non-manufacturing classes. A farm-owners program is nearing completion, Mr. Parker said.

Commenting on conferences with agents, Mr. Parker noted that southern agents are particularly critical of many matters which companies have viewed as desirable. This criticism is not always logical in Mr. Parker's view, but it is usually outspoken and intense. He plans to attend a meeting of the Southern Agents Conference committee in Atlanta in December.

COMMERCIAL CASUALTY UNDERWRITER

Must have at least five years experience underwriting general liability, fleets, etc. Married, age to 40 with some college preferred. Salary above average if you qualify. Excellent company benefits and advancement opportunities. This is a chance to join one of the Nation's largest stock companies. Send complete resume to—

Personnel Department
P.O. Box 6807
Houston, Texas

FLORIDA OPPORTUNITY

Multiple Line Agency Mutual Company interested in experienced insurance man to travel the State of Florida. Territory well developed. Good company training program. Write Box U-25, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. Give experience and salary desired.

MANAGING GENERAL AGENCY WANTED FOR SURPLUS LINE COMPANY

Looking for Aggressive Representation
SPECIAL LINES—SURPLUS & EXCESS COVERAGE
Write Box U-27, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

SUPERINTENDENT CASUALTY SAFETY ENGINEERING

Full responsibility of safety engineering department with leading multiple line stock company group located in midwest. Must have administrative and technical ability and deal effectively with the underwriting and production areas. Direct activities of 25 branch offices. If you are a young man with these qualifications and are ready for advancement into this position we are interested in discussing your future. Outstanding company benefits. Salary open. Replies confidential. Write Box U-8, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

For Immediate Consideration
Claims Superintendent
General Liability Branch Manager
Fire Loss Manager
Casualty Claims Manager
Fire-Marine Production Manager
Casualty Special Agent
Casualty Manager
Fire Manager

These men working on the Pacific Coast . . . will discuss salary and re-location to other areas.

EMPLOYER PAYS FEE
Will Cornell, Insurance Counselor
HELEN EDWARDS & STAFF AGENCY
3106 Wilshire Boulevard
Los Angeles 5, California
Dunkirk 8-0493

OUTSTANDING OPPORTUNITY

This aggressive company has just entered Illinois. We are seeking an experienced and thoroughly qualified multiple-line special agent to represent us in Central Illinois. Territory limited to central third of state. Some agency plant already established. An outstanding opportunity for right man.

During Illinois Agents' Association meeting our representatives will be available at Pere-Marquette Hotel, Peoria, Illinois.

INDIANA INSURANCE COMPANY
115 N. Pennsylvania Street
Indianapolis

FIELD MAN

Cleveland opening in well established office of old-line stock company. To work in compact area. Fire and marine experience essential. Multiple line background preferred. Excellent opportunity for personal growth, outstanding company benefits. Write giving experience, personal data and salary requirements. Box U-26, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED—SPECIAL AGENT

Excellent opportunity for fire and allied field-man with reputable old-line stock company—in Harrisburg, Pa. and Baltimore, Md. area. Write Box U-20, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE UNDERWRITER

Old established, favorably known, multiple line mutual company has opening for fire underwriter with at least two years experience. Fine working conditions in small town, north central Ohio. Write Box U-30, National Underwriters, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—Tennessee

Multiple line experience necessary. Work out of Nashville to service Middle and Eastern Tennessee. Excellent opportunity to join with an aggressive young stock company. Reply Box U-32, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD OPPORTUNITY

Progressive multiple stock group has opening for supervisor of its Milwaukee territory. Casualty experience necessary and some fire experience needed. Salary open. Reply to Box U-35, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SENIOR UNDERWRITER AUTO CASUALTY

We are seeking a man with about 8 years underwriting experience in a quality stock company, for our Buffalo, New York office. He will bring to the position an excellent technical background. This man will believe he has executive potential, which will enable him to advance further. Outstanding fringe benefits are included in this opportunity. Salary is open.

Write in full confidence to Box T-88, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE AND CASUALTY EXPERT

Young, aggressive and rapidly growing organization seeks talented advisor to top level corporate officer. Heavy multiple line underwriting background a must with sales or management experience desirable. CPCU's will be given special consideration but designation not absolutely necessary. This position offers tremendous potential. Age to 45. Salary \$9,200 up. All replies held in strict confidence. Your resume, including personal data, detailed work experience and education will be considered promptly. Box U-7, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SALES MANAGER

Expanding Independent Agency company seeks experienced, aggressive Sales Manager for large, multi-state operation. Must have thorough knowledge of all fire and casualty lines including Auto and Workmen's Compensation. This position offers rare opportunity and demands high qualifications. Minimum 5 years field experience, 3 years management responsibilities. CPCU designates and/or students with 3 parts completed will be given special consideration. Age to 45. Mid-East location. Salary \$10,000 up plus bonus. Send complete resume to Box U-28, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

H. O. CLAIM SUPERVISOR

Or examiner with experience as Adjuster and supervisor handling auto, liability or workmen's comp. claims for position in home office of large insurance company. College education and legal training desirable. Please send resume to:

J. H. RICKETSON
THE GENERAL ACCIDENT GROUP
Philadelphia 5, Pa.

SPECIAL AGENT

A stock group has opening for a northern Wisconsin special agent. Multiple line experience desired. Please outline experience and reply to Box U-36, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE AGENCY

FOR SALE: WELL ESTABLISHED FIRE CASUALTY MUTUAL INSURANCE AGENCY, LOCATED IN BILOXI. APPROXIMATELY \$18,000. ANNUAL COMMISSIONS. PRICE \$34,000. INCLUDING FIXED ASSETS. OWNER RETIRING DUE TO HEALTH. WRITE EDWIN M. PRENDERGAST, P.O. BOX 355, BILOXI, MISS. GIVING FINANCIAL BACKGROUND.

NOSKER EMPLOYMENT AGENCY

Insurance Specialists 34 Years

California Positions

Male—Female

All Lines

3055 Wilshire Blvd.

Los Angeles 5

Editorial Comment

Another Case Where Barnum Was Right

One of the more gratifying aspects of renewed merchandising aggressiveness by many traditional insurers is the marked improvement in the quality of their advertising in both consumer and business publications. Managements of these insurers have awakened from lethargy, adopted a marketing program, and by these moves provided the ad man with practical inspiration for ideas he can "push in print." Moreover, these companies have put the ad man on the first line marketing team instead of using him as a scrub player.

Even a cursory review of company advertising in general proves this point. Companies which have not kept pace in the marketing contest are running ads with tired, unimaginative themes, little sparkle, and no really effective continuity in the message of the advertising. Effective continuity is not to be confused with tiresome repetition of institutional or testimonial ads, although even these two approaches can be and are being used effectively by a few companies. Some of the latter, for example, picture in their ads quality clients with extensive insurable interests and illustrate how they have been protected.

However, the insurers which are setting the pace in marketing innovations—and they are not necessarily among the largest companies—have given their ads a lift by building them around a striking personality symbol, by unusual illustrations, by contests for producers, and by citation of the facilities with which an agent can get out and do a competitive selling job. A lot of this advertising is attracting considerable attention within the business. Some commentators decry the unusual aspects of such insurer ads. But they keep talking about them, and that is an unflinching sign that the ads are accomplishing their purpose.

A number of companies have gone into consumer advertising to establish in the public mind their brand name and their agents' services, and they are running in insurance business papers repeats of these ads with an overlay message to agents to inform

them of the job being done in their behalf. Such activity up until a few years ago was confined to a handful of companies, but they have been joined by a respectable number of traditional insurers.

The oldtimers in consumer advertising could tell the newcomers that it will take a long time for their name to catch on with the public. But the companies which have persisted have succeeded in that effort. It is to be hoped that the newcomers will not be too easily discouraged and drop out without a fair test of consumer advertising. It can be worthwhile, particularly when tied in with insurance paper ads.

"Advertising is like learning—a little is a dangerous thing. If a man has not the pluck to keep on advertising, all the money he has already spent is lost." P. T. Barnum said that, and he certainly knew how to make his name a household word.

Another famous ad man, Earnest Elmo Calkins, took Barnum's theme even further. He said that any campaign to make a name a household word or catch phrase will never succeed unless the ad appropriation is a large one. There is a certain invisible line which no one has been able to find. To stop this side of it means failure. On the other side is advertising success out of proportion to the amount of money spent. It is as if to spend \$100,000 would fail to make a name popular, but to spend \$100,100 would make a name or an idea part of the vocabulary of the country.

Now that those traditional insurers which have reawakened have given their ad men some ideas to work with and have allowed them to show their wares more effectively in both consumer and in insurance publications, it is to be hoped that they will not pull the rug from under the ad men if results are not immediately up to expectations or when an occasional catastrophe like Hurricane Donna threatens to re-dden the black ink.

It is a peculiarity of the insurance business that when things go sour, instead of sweetening the advertising

and sales promotion pot, insurers cut off the supply of funds. But from now on out, in good times and in bad, they are going to have to keep their names in front of the consumer and particularly in the minds of professional agents who will determine the success or failure of new insurer marketing programs. The degree of the agents' enthusiasm and know-how will spell success or failure for these programs. The worthwhile agent will be stimulated in direct proportion to the constancy and quality of a given company's advertising in the insurance papers which reach producers.—J.N.C.

Personals

Fred K. Skelton, vice-president of Brown, Pless & Co., Chattanooga agency, was presented with a silver serving tray by the agency staff on his recent retirement after more than 52 years in the business. He entered the business in 1908 as a stenographer with Faxon, Stewart & Co. in Chattanooga and later was with several other agencies before operating his own firm for a time. He joined Scott N. Brown agency in 1942 as vice-president and secretary and continued as vice-president when the firm later became Brown, Pless & Co.

C. W. Arnold of the Arnold agency at Wellsville, Ohio, recently celebrated his 55th anniversary as a local agent. The Arnold agency was organized by Mr. Arnold's father in 1861 and next year will celebrate its 100th anniversary.

Deaths

MILLARD T. WILSON, 58, vice-president Travelers, died in Hartford Hospital. He began his career with Southeastern Underwriters Assn. in 1925 as an engineer. He joined Travelers as an engineer in 1929 and later was special agent in the Carolinas where he became manager of fire and marine lines. He was named superintendent of agencies at the home office in 1940, secretary of the southern department in 1943, secretary of the fire companies in 1947, vice president of those companies in 1950 and vice-president of all companies in 1954.

PEYTON B. BETHEL, 83, who re-

tired in 1953 after 19 years as secretary-treasurer of Kentucky Assn. of Insurance Agents and the Louisville Board, died at his home in Louisville. Mr. Bethel, a graduate of Centre College, was in the clothing business in Louisville for many years before turning to insurance. He was a past president of Louisville Credit Men's Assn. and of Louisville Rotary Club. In 1953, when he retired, he received the Cherokee cup award for outstanding service to the insurance business.

H. F. SANDERFORD Jr., 35, manager at Kansas City of American Indemnity, died at Galveston where he had been confined to John Sealy Hospital for several weeks. Before going to Kansas City in 1957, Mr. Sanderford was assistant manager of the fidelity and surety department at the home office of American Indemnity. His father, H. F. Sanderford Sr., is vice-president-treasurer of American Indemnity group.

CHARLES D. DUNNE, 49, president Dunne Press of Louisville, died of a heart attack. He started his business career in 1928 as an agent of Inter-Southern Life, and later was assistant to the president of Equitable Life & Casualty before joining the Insurance Index in 1931 as associate editor. Subsequently he was executive vice-president, and in 1953 he was elected president. His father, James E. Dunne, is publisher of the Insurance Index.

JAMES O. HORNE, 69, retired agent of St. George, S. C., died of a heart attack. He organized the St. George agency in 1910 and retired in 1957. Mr. Horne was mayor of his city for two terms, probate judge of Dorchester County from 1920-1928 and was WPA administrator of the county in the 1930's.

W. H. PULLEN Jr., 70, owner of Nugent & Pullen agency, Jackson, Miss., died after a long illness. He was a past president of Mississippi Assn. of Insurance Agents and of the Jackson association.

L. L. WEILL, 81, Owensboro, Ky., agent died in a convalescent home there.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. La Salle St., Chicago, Oct. 25, 1960

	Bid	Asked
Aetna Casualty	86 1/2	88
Aetna Fire	86	87 1/2
American Equitable	43	45
American Newark	26 1/4	27
American Motorists	14 1/2	16
Boston	31	32
Continental Casualty	75	77
Crum & Forster	69	71
Federal	59	61
Fireman's Fund	47 1/2	48 1/2
General Re.	114	117
Glens Falls	33	34
Great American	45	46
Hartford Fire	49	50
Hanover	43	44
Home of N. Y.	57	58
Ins. Co. of N. America	61	62 1/2
Jersey Ins.	32 1/2	34
Maryland Casualty	35	36
Mass. Bonding	37	38 1/2
National Fire	108	115
National Union	36 1/2	37 1/2
New Amsterdam Cas.	50	52
New Hampshire	52	53 1/2
North River	39	40
Ohio Casualty	23	24 1/2
Phoenix, Conn.	78	80
Prov. Wash.	18	19
Reins. Corp. of N. Y.	22	23 1/2
Reliance	56 1/2	58
St. Paul F. & M.	55	56
Springfield F. & M.	30	31
Standard Accident	44 1/2	45 1/2
Travelers	83	84
U. S. F. & G.	38 1/2	40
U. S. Fire	27 1/2	28 1/2

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Fire and Casualty Insurance



Published by
The National Underwriter Co.

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420 E. Fourth St., Cincinnati 2, Ohio

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Raymond W. Rieke Jr., Los Angeles
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George C. Roeding, Cincinnati
A. J. Wheeler, Chicago
George E. Wohlgenuth, St. Louis
Robert J. Wiegand, Chicago
Robert I. Zoll, Philadelphia

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and Post Office form 3579 with new address, and allow three weeks for completion of the change.

Menner Addresses CPCU Conferment Lunch At Columbus

COLUMBUS—Almost 200 attended the annual all industry luncheon here sponsored by the Columbus CPCU chapter, at which new designees were presented their diplomas. Dr. E. S. Overman of American Institute made the presentation and gave the charge. He also emphasized the pressing need in the business today for a broad and thorough insurance education.

Edward W. Altstaetter II, insurance representative of North American Aviation and chapter president, handled the microphone and introduced those at the head table. In addition to Leo B. Menner of Chicago, who spoke on the excess and surplus lines markets and problems affecting the agent, those on the dais included Superintendent E. A. Stowell, Kenneth L. Harger of Bowling Green, retiring president of Ohio Assn. of Insurance Agents, and Clarence W. Powell, president of Insurance Society of Ohio State University and winner of the chapter's \$300 scholarship. He is an insurance major at the university.

North Dakota Agents Elect Jones President

North Dakota Assn. of Independent Insurance Agents, at the annual convention at Bismark, elected Frank R. Jones Jr., Fargo, president. He succeeds John Dixon, Fargo.

Harry R. Vadnie, Bismark, is 1st vice-president; J. D. Crabtree, Ellendale, 2nd vice-president; and William Warner, Fargo, secretary-treasurer.

New directors are William Froelich, Grand Forks, and Carl Oksol, Williston.



Frank R. Jones Jr.

C. W. Schoelzel In New Post With Van Schaack

Charles W. Schoelzel, vice-president and manager of the insurance department of Van Schaack & Co. of Denver, has been advanced to the newly created position of senior vice-president of the company. Mr. Schoelzel has been with Van Schaack & Co. since 1919 and has been manager of the insurance department since 1933. He is a past president of Denver Insurers, Insurers of Colorado and of Insurance Service Assn.

William R. Kersten, vice-president, has been promoted to manager of Van Schaack's insurance department. Mr. Kersten has been assistant insurance manager since 1954 and before that was senior underwriter at the U.S. home office of Zurich.

Paul T. McGrady, who joined Van Schaack in 1954, has been made assistant insurance manager. Before going with Van Schaack he was with Aetna Fire and U.S.F.&G.

Ga. Auto Rate Case Goes Back To Cravey

Fulton County (Ga.) superior court has remanded to Commissioner Cravey for reconsideration National Bureau's filing for an average auto liability rate increase of 8.4%. The action vacated the court's order of Oct. 3, which upheld a rejection of the filing.



and James H. Gorges, Baltimore, who succeeded Mr. Dallas as president.

New officers of Maryland Assn. of Insurance Agents at the annual meeting at Baltimore. At top from left are F. Addison Fowler, Baltimore, secretary; Morris B. Bassford, Hagerstown, state national director; Glenn A. Main Jr., Frederick, treasurer, and William F. Burkley, Elkton, executive vice-president. Seated from left are George M. Dallas, Salisbury, chairman,

Wide Ranging Card For Mutual Meeting At New York

(CONTINUED FROM PAGE 4)

scribed by J. M. Muir, general manager of Mutual Bureau.

How the policyholder wants to pay for insurance will be outlined at the second joint session by R. P. Palmer, Lumbermens Mutual Casualty. Current reinsurance problems and the underwriter will be detailed by J. P. Gibson Jr., American Mutual Re. Milton R. Wessel, New York attorney, will comment upon the interest the insurance business should have in syndicated crime as a factor which may have a tremendous effect upon losses.

Other Features

Needs and opportunities in property-casualty underwriting research will be described by C. O. Shaver, Nationwide Mutual, to begin the third joint session. Dr. N. J. Hruby, University of Chicago, will discuss the "selling" of underwriting decisions. What the underwriter can do to improve the public image of insurance will be suggested by K. O. Force, executive editor The National Underwriter.

Speakers at the afternoon property underwriting sessions will include F. W. Pennartz, of Food Fair Stores; D. K. Auck, Federation of Mutual Fire Insurance Companies, and M. J. Gwerman, New York attorney, who will discuss the liability of common carriers.

At the same sessions, panels will be held on packages for commercial risks, property deductibles, and commercial inland marine lines.

Panel Discussions Set

Panel discussions will also feature the afternoon casualty underwriting sessions. Topics will include merit rating, package policies, automobile assigned risk problems, revision of the garage liability policy, simplification of liability policies, and general liability and workmen's compensation problems.

On the final morning, Transportation Insurance Rating Bureau will conduct an inland marine insurance school, and the casualty group a special round-table consulting session.

Long Seeks To Quash Bureaus' Petition In Tenn. Auto Rate Suit

Commissioner Long of Tennessee has made a motion in the Davidson County circuit court to dismiss the petition filed there by National Bureau and National Automobile Underwriters Assn. to set aside his disapproval of automobile rate increases. The motion is being argued this week.

Mr. Long's motion is on the ground that the bureaus failed to ask for a hearing before him after being informed of his disapproval order.

The motion does not mention that the disapproval order was issued after a three-day hearing in Nashville, called by Mr. Long after formal notice to the bureaus, nor that sworn testimony was taken at the hearing and the proceedings were recorded in an official transcript. Also mentioned in the motion is the bureaus' testimony at the hearing, dealing with the issue of aggregate rate-making which was relied on for disapproval. The commissioner raised this issue at the hearing and invited testimony.

Inter-Regional Names Dillard As Chairman

John H. Dillard, vice-president Fireman's Fund, was elected chairman of the executive committee of Inter-Regional Insurance Conference at the annual meeting in New York. He succeeds Frank W. Boyle, vice-president Employers Fire.

Lawrence Hall, New Hampshire, was named vice-chairman, and J. L. Erhardt, Royal-Globe, was reelected treasurer. Named to the executive committee were Felix Hargrett, Home; Milton W. Mays, America Fore Loyalty, and Fred D. Watkins, Aetna Fire.

America Fore Loyalty Veterans Hold Banquets

More than 2,000 members of America Fore Loyalty Old Guard are taking part in traditional dinner parties held each year in several cities in the U. S. and Canada. Each of the persons invited has served the group for a quarter century or more. About 1,500 members are still active and the rest have retired.

Banquets have been held in Chicago, New York, and Newark. Others are scheduled Nov. 2 in Atlanta and Nov. 10 at Montreal.

Automobile Underwriters Club of Philadelphia discussed the Pennsylvania safe drive plan at the October meeting.

Big Crowd At NAMIA Rally, Launch Plan On Youthful Driver

(CONTINUED FROM PAGE 1)

has shown itself to be highly accurate in separating low from high accident risks among drivers under 25. The test, which takes a few minutes, will be given to young persons applying for driver licenses over the country. These drivers then will be checked for two years and their accident record matched against the grade they scored on the test.

Agents expressed concern over the homeowners rate war, reductions in auto commissions, and the solicitation of A&S from credit card holders. Multitudinous filings present real problems to agents, and they urged companies to take their producers more into their confidence on such matters. It was suggested that public hearings be held if it is deemed necessary.

Plans for the November national advertising campaign "Salute Mr. Mutual Agent" were announced and discussed at the meeting.

Details of a uniform agent's licensing law which the association will sponsor country-over were presented to the convention. Minimum qualifications would include 100 hours of education in institutions approved by the commissioner, a year's experience, and others.

Details of the meeting will be presented in next week's issue.

Physicians' Complaints Told At Meeting Of Chicago Casualty Adjusters

The "injury industry" has now reached \$4 billion proportions, Howard O. Brower, assistant secretary council on medical service for American Medical Assn., told the October meeting of Casualty Adjusters Assn. of Chicago.

Mr. Brower said that among the complaints physicians often voice against the insurance industry are their medical opinions are first solicited and then debated; they frequently find themselves involved in "distasteful experiences," and services rendered are sometimes not paid for.

Mr. Brower said he thought it was highly significant that of the some \$4 billion involved in the "injury industry," \$1.4 billion went toward expenses for handling claims.

In the last regular session the association will hold under his effervescent leadership, President Walter P. Strobel of Strobel & Ingalls, advised the members that next month's meeting will feature the annual election of officers. The Christmas party has been set for Dec. 15.

Henry Moser To Retire At The End Of 1960

(CONTINUED FROM PAGE 1)

dustry committee following enactment of public law 15, in which he also had a hand. He was one of the organizers and served as first president of National Assn. of Independent Insurers, and he was largely responsible for the enactment of the New Jersey unsatisfied judgment fund law as an alternative to compulsory automobile insurance.

He represented Allstate in obtaining licenses in all of the states and in Canada during its early years of operation, and more recently he set up a Swiss subsidiary—Aldstadt Versicherungs of Zurich. He directed the long legal battle in which Allstate established its right to make independent filings in the fire business at lower than bureau rates.

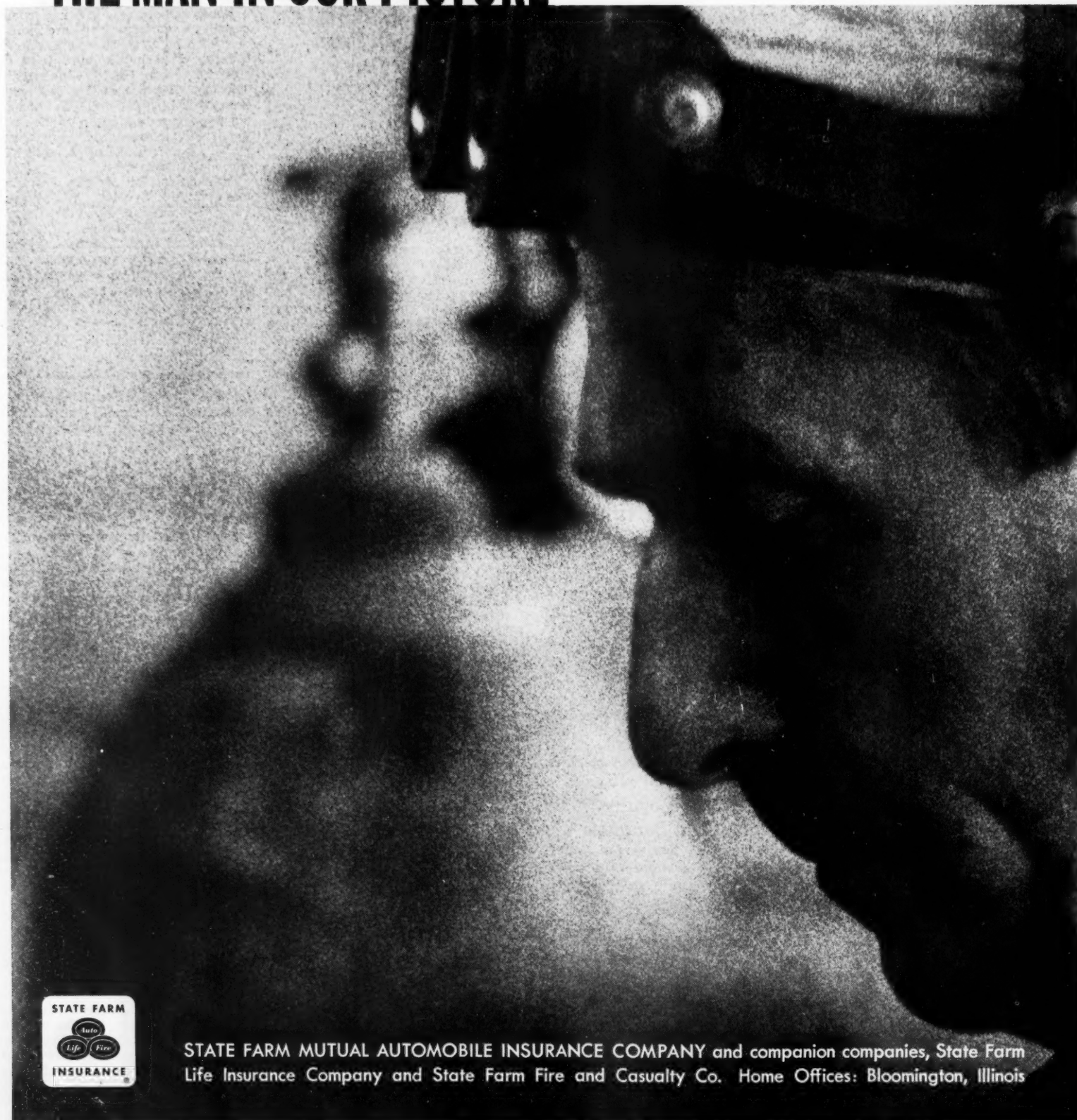
From 1935 to 1939, Mr. Moser was chairman of the insurance committee of Illinois Bar Assn. and he was one of those who helped draft the present Illinois insurance code. He was chairman of the insurance section of American Bar Assn. in 1944 and 1945, and has been active in insurance affairs of the Illinois and Chicago Bar Assns.

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Editors call him the backbone of America. Politicians call him the Majority Vote. Economists call him the big Middle Income Market.

He's a prominent man in the State Farm picture. Our agents know him well. They provide much of the auto insurance he buys. And at the same time they are giving him opportunities, never before so readily at his disposal, to protect himself and his family more adequately with the home and life insurance he needs. For him, for millions like him, the State Farm agent is the Family Insurance Man.

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